



TAX NEWSLETTER

We welcome you to yet another edition of the PML Tax Newsletter; your one-stop shop for all the happenings and information around the tax space.

The year 2022 is fast running to an end, and the importance of a payroll health check at this point in time cannot be over-emphasized. In this edition, we have therefore highlighted the importance of a payroll health check, with a piece titled Now: **The Perfect Time for a Payroll Health Check.**

In other news, President Muhammadu Buhari signed the Nigeria Startup Bill (NSB) into law on October 19, 2022. The Startup Law seeks to provide an enabling environment for the establishment, development and operation of startups in Nigeria.

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Till you hear from me again next month, please keep staying safe.

'Murewa Agagu

OCTOBER 2022
EDITION

Now:

The Perfect Time for Payroll Health Check

The year 2022 is winding down, hence you would agree with me that the greeting, “**Merry Christmas in advance**”, is not out of place. Something else that is definitely not out of place, at this time of the year, is your organization’s payroll health check. As a matter of fact, now is the perfect time to conduct a health check exercise on your organization’s payroll computations for the year 2022. This is because there is still enough time (now that you are yet to remit PAYE for the months of November and December) to make the necessary reconciliations for your employees, thereby avoiding PAYE over-remittance or under-remittance, to the relevant tax authority (“RTA”), for each of your organization’s employees.

We need not remind you that the consequences of either under-remitting or over-remitting PAYE to the RTA. In the event of the former, your organization is exposed to an additional payment of about 21% of the unremitted sum (in the form of penalty and interest), while in the event of the latter, the process of getting a tax refund from the RTA is long, tiring and frustrating. It won’t also be out of place to say that getting a PAYE refund is near impossible. All these clearly highlight the importance of a timely payroll health check.

Listed below are the steps involved in conducting a health check on your payroll computations:

1. compute an annualized payroll for your employees, taking cognizance of the gross emoluments paid/payable to them (monthly salary, bonus, allowances, 13th month salary, etc.) for the whole of the year 2022. By doing this, you will know how much is due, as PAYE, from each of your employees’ gross emoluments for year 2022;
2. aggregate the tax paid by each of your employees from January (or in the case of joiners, from the month they were employed) till date; and
3. compare (1) and (2). From the comparison, you will know how much PAYE each employee has outstanding (or in some cases, paid in excess) and then make the necessary adjustments to the subsequent monthly payroll computations for November and December 2022.

The necessity of a payroll health check at this time of the year cannot be overemphasized, therefore reach out to your Tax Consultants/Managers today.

For more enquiries on any of the foregoing, contact us on tax@pml.com.ng or [+234 906 228 8809](tel:+2349062288809). We are always here to serve you.



NOVEMBER 2022 TAX DEADLINES



Set out below are the major deadlines in the month of November 2022, as relating to the Nigerian Tax space:

CIT & TET Remittance + Filing

Companies whose financial year-end is May are to pay their Companies Income Tax (CIT) and Tertiary Education Tax (TET) to the Federal Inland Revenue Service (FIRS), and thereafter file their CIT, TET and Transfer Pricing (where applicable) returns with the FIRS, via the FIRS TaxPro Max portal, on or before Wednesday, November 30, 2022.

ECS Contribution Payment

Pay the Employees Contribution Scheme (ECS) contributions due on your employees' November 2022 emoluments to the Nigeria Social Insurance Trust Fund (NSITF), via any of its designated banks, on or before Wednesday, November 30, 2022.

PAYE Remittance

Remit all pay-as-you-earn (PAYE) deducted from employees' October 2022 emoluments to the Internal Revenue Service (IRS) of the State(s) where the said employees are resident, via any of the designated banks, on or before Thursday, November 10, 2022.

Pension Remittance

Remit all pension deducted (from employees' October 2022 emoluments) and contributed (by the employer) to the Pension Fund Custodian of the relevant employees. Remittance should be made within seven (7) business days of salary payment, i.e., companies that paid salaries on October 31, 2022 are to remit pension on or before Wednesday, November 9, 2022.

NHF Remittance

Remit the NHF deducted from employees' October 2022 emoluments, to the Federal Mortgage Bank of Nigeria, via any of its designated banks, on or before Wednesday, November 30, 2022.

VAT Remittance + Filing

Companies who meet the required threshold are to remit all Value Added Tax collected in the month of October 2022 to the FIRS, via any of its designated banks, and file their October 2022 VAT returns with the FIRS, on or before Monday, November 21, 2022.

WHT Remittance (FIRS)

Remit the WHT deducted from payments made to all corporate and foreign entities in October 2022, to the FIRS, via any of its designated banks, on or before Monday, November 21, 2022

WHT Remittance (SIRS)

Remit the WHT deducted from payments made to all non-incorporated entities in October 2022, to the IRS of the State(s) where the said entities are resident, via any of the designated banks, on or before Wednesday, November 30, 2022.

Do have a tax-efficient month!

SERVICE OFFERINGS

- ▶ Companies Income Tax Management
- ▶ PAYE Returns Management
- ▶ Payroll Tax Management
- ▶ Personal Income Tax Management
- ▶ Micro Business Package
- ▶ Small and Medium Enterprises Business Package
- ▶ Tax Audits and Investigations Management
- ▶ Transfer Pricing Management
- ▶ Value Added Tax Management
- ▶ Withholding Tax Management (Payables)
- ▶ Withholding Tax Management (Receivables)

Contact us today on +234 906 228 8809