

FREQUENTLY ASKED QUESTIONS?

KNOW YOUR RIGHTS AND OBLIGATIONS



“ If you want the answer,
ask the question. ”

Lorii Myers



1. WHAT IS THE UNEMPLOYMENT INSURANCE FUND?

The Unemployment Insurance Fund has been established to provide short term relief to workers, subject to certain conditions leading to unemployment.

For instance unemployment due to:

- Retrenchment
- Retirement
- Dismissal
- Illness leave
- Maternity, adoption leave
- Reduced working time and
- Relief to the dependents of the deceased contributors.

2. WHO SHOULD CONTRIBUTE TO THE FUND?

Both employers and employees contribute to the Fund, the following is applicable:

2.1 MUST ALL EMPLOYERS CONTRIBUTE TO THE FUND?

All employers who employ any person and in return provide them with remuneration in either cash or in kind must register with the Fund as soon as they commence activities as an employer. It is the responsibility of the employer to register the business and make the necessary deductions from the remuneration of the workers.

If the employer fails to do this there are severe penalties and interests that will be applied in terms of the Unemployment Insurance Contributions Act, 2002. If an employer refuses to register with the Fund and does not want to make the deductions, workers are advised to contact the nearest office of the Department of Employment and Labour. Employers are urged to comply with the provisions of the Act, as the Fund provides relief to their ex-workers who are left with limited and/or no means of support due to their services being terminated.



2.2 SHOULD ALL WORKERS CONTRIBUTE TO THE UNEMPLOYMENT INSURANCE FUND?

2.2.1 As from 1 April 2002 all workers who work for 24 hours or more per month must contribute to the Fund.

2.2.2 As from 1 April 2003, the Unemployment Insurance Act requires domestic workers and their employers to contribute to the Fund.

The following categories of workers are excluded from contributing to the Unemployment Insurance Fund:

- Workers who work less than 24 hours per month
- The President, Deputy President, the Minister, Deputy Minister, a member of the National Assembly, a permanent delegate to the National Council of Provinces, the Premier, a member of an Executive Council or a member of a provincial legislature
- Any member of a Municipal Council, the Traditional Leader, a member of a provincial House of Traditional Leaders and a member of the Council of Traditional Leaders
- Workers who earn on a commission only.

2.2.4 All workers that are eligible to contribute must be declared by their registered employer to the Fund.

3. HOW SHOULD EMPLOYERS SUBMIT DECLARATIONS?

All registered employers should submit declarations, including those that are required to pay their contributions via SARS. Declarations should be submitted on a monthly basis (by completing a UI 19 form).

4. SHOULD EMPLOYERS WHO PAY ANNUALLY SUBMIT DECLARATIONS?

Yes, once a year or in the event of changes in the particulars of workers.

5. DO YOU HAVE TO CONTRIBUTE TO THE FUND IF YOU EARN A HIGH SALARY?

Yes, all workers, except those mentioned under point 2.2 must contribute to the Fund.

The Fund on an annual basis sets a maximum earnings, which currently stands on R14 872.00 per month. All those workers who earn above the maximum level will only contribute up to the maximum and when they become unemployed will then receive benefits at the rate of their income. This means that every worker from the lowest level to the company director must contribute to the Fund.

6. WHAT IS REGARDED AS REMUNERATION?

All monies received from the employer, whether in cash or in kind. This includes overtime and bonuses, and contributions must be based on this. In addition, all allowances that are received are regarded as remuneration. Examples of allowances are traveling allowances, entertainment allowances as well as food and accommodation allowances. More information on remuneration can be found in the EMP 10 guidelines for employers obtainable from the South African Revenue Service (SARS).

7. HOW DOES AN EMPLOYER REGISTER A NEW BUSINESS WITH THE FUND?

- Register on the Bizportal or access www.ufiling.gov.za for On-Line Registration
- A UI-54 with unique reference will be emailed or posted confirming the registration was successful
- Similarly, UI-32 will be posted to confirm the success of the registration of the employee(s).

8. HOW LONG WILL REGISTRATION PROCESS TAKE?

All registration will be finalized immediately upon registration.

9. WHAT TYPES OF BENEFITS ARE PROVIDED BY THE FUND?

The Fund provides five types of benefits:

- Unemployment benefits (section 17)
- Illness benefits (section 22)
- Maternity benefits (section 25)
- Adoption benefits (section 28)
- Dependants (death) benefits (section 31)

10. WHAT IS THE RESPONSIBILITY OF AN EMPLOYER AFTER THE TERMINATION OF THE SERVICE OF A WORKER?

- A declaration (electronic, ufilling and UI19 form) form must be completed and returned to the Fund or any of the Department of Employment and Labour's offices
- Information of the relevant worker or workers will be updated to show the current status
- Failure to submit the declaration may cause delays with the processing of claims for unemployment or other benefits
- Advise ex-workers to approach the nearest office of the Department of Employment and Labour.



11. WHEN AND HOW DOES THE EMPLOYER PAY THIS CONTRIBUTION TO THE FUND?

- 11.1 The employer must pay contributions to the Fund on or before the 7th day of every month.

Where the 7th day is not a business day, payments must be made before the last business day. For the purposes of paying contributions those employers who are registered for tax purposes and/or the Skills Development Levy (SDL), must pay their contributions directly to SARS. There are various methods of forwarding these contributions to the Fund. (Also refer to the addresses at the end of this brochure).

- 11.2 Employers may pay the total annual contributions provided that such amount is paid up-front.
- 11.3 The total contributions due must be made within the boundaries of a financial year or liability period and within seven days after the beginning of that financial year or liability period. Financial year or liability period means the period commencing on the first day of March in any year, or from the first day of liability providing such a date falls within a current financial year, and ending on the last day of February in the following year.
- 11.4 The employer may not deduct the worker's share of the total contributions due "up-front". Deductions must still coincide with intervals of payment of remuneration.
- 11.5 In the event of salary increases, this must be reconciled as soon as the salary increase takes effect and any difference between the amount due and already paid, must be corrected.
- 11.6 If employers receive a SARS return form (EMP 201), it means that they are required to submit their UIF contributions to SARS periods from April 2002 onwards. The Fund should in these cases be advised of the 10 digit Pay As You Earn (PAYE) reference number in respect of their business, so that the necessary changes can be made to prevent the future dispatch of the UI 7.
- 11.7 Employers must also ensure that the UIF contributions are indicated on the EMP 201 and that payments are forwarded to SARS. The Fund will not accept responsibility, or engage in any communication with SARS or employers in the event of penalties and/or interest being raised if payments are submitted to the Fund instead of SARS.
- 11.8 To avoid unnecessary penalties and interest, employers must ensure that payments reach the Fund within the prescribed period.

12. WHAT HAPPENS IF REMUNERATION FLUCTUATES/DIFFERS/?

If the remuneration fluctuates/differs on a monthly or weekly basis than the average remuneration over the last six months must be used to calculate benefits payable.

13. HOW DOES AN EMPLOYER DE-REGISTER WITH THE FUND?

Employers can contact the Fund of any of the Department of Employment and Labour's offices and request that the registration be cancelled. The UIF reference number and the date on which liability ceased, must at all times be quoted. An updated declaration must be submitted to the Fund on closure of business.

Contact Details



Physical Address
ABSA TOWER
230 Lilian Ngoyi Street
(formerly Van Der Walt Street)
Pretoria
0001

Postal Address
Private Bag X923
Pretoria
0001

(012) 337 1680 or 0800 843 843

Provincial Offices



Stay in touch with the Department on

Facebook (UIF Labour Department)

Twitter (@UIFBenefits)

LABOUR HEAD OFFICE

Tel: (012) 309 4000

Street address: 215 Francis Baard Street,
PRETORIA

NORTH WEST PROVINCIAL OFFICE

Tel: (018) 387 8100

Street address: 2nd Floor, Provident
House, University Drive, Mmabatho

LIMPOPO PROVINCIAL OFFICE

Tel: (015) 290 1744

Street address: 42A Schoeman Street,
Polokwane

MPUMALANGA PROVINCIAL OFFICE

Tel: (013) 655 8700

Street address: Labour Building, Cnr
Hofmeyer Street and Beatty Avenue,
Witbank

GAUTENG PROVINCIAL OFFICE

Tel: (011) 853 0300

Street address: 77 de Korte Street,
Braamfontein, Johannesburg

FREE STATE PROVINCIAL OFFICE

Tel: (051) 505 6200

Street address: Laboria House, 43 Maitland
Street, Bloemfontein

KWAZULU-NATAL PROVINCIAL OFFICE

Tel: (031) 366 2000

Street address: 267 Anton Lembede (Smith
Street) Royal Building,
11th Floor, Durban, 4000

EASTERN CAPE PROVINCIAL OFFICE

Tel: (043) 701 3128

Street address: 3 Hill Street, East London,
5201

NORTHERN CAPE PROVINCIAL OFFICE

Tel: (053) 838 1500

Street address: Cnr Compound and Pniel
Road, Kimberley

WESTERN CAPE PROVINCIAL OFFICE

Tel: (021) 441 8000

Street address: 4th – 6th Floors, West
Bank Building, Cnr Riebeeck and Long
Streets, Cape Town

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employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

