

Basic Guide to UIF

Registration

Employers must register with the Unemployment Insurance Fund (UIF) or the South African Revenue Services (SARS).

Application

The Unemployment Insurance Act and Unemployment Insurance Contributions Act apply to **all employers and workers**, but not to -

- workers working **less than 24 hours** a month for an employer;
- **learners**;
- **public servants**;
- **foreigners** working on contract;
- workers who get a monthly **State (old age) pension**; or
- workers who only earn commission.

Domestic employers and their workers are included under the Act since 1 April 2003.

Who Must Register with UIF?

All employers must register directly with the UIF; unless they –

- are required to register as employers under the Income Tax Act; or
- pay the skills development levy under the Skills Development Act.

Based on Legislation in [Section 10](#), of the Unemployment Insurance Contributions Act

Who Must Register with SARS?

All employers who are required to register their workers with SARS for the payment of PAYE (Pay As You Earn) and/or SDL (Skills Development Levy) must also register with SARS for their UIF.

Based on Legislation in [Section 10](#), of the Unemployment Insurance Contributions Act

UIF Declarations

Employers must send information about their workers to the Unemployment Insurance Fund (UIF).

Application

The Unemployment Insurance Act and Unemployment Insurance Contributions Act apply to **all employers and workers**, but not to -

- workers working **less than 24 hours** a month for an employer;
 - **learners**;
 - **public servants**;
 - **foreigners** working on contract;
 - workers who get a monthly **State (old age) pension**; or
 - workers who only earn commission.
- Domestic employers and their workers are included under the Act since 1 April 2003.

What are UIF Declarations?

Before the 7th of every month, employers must send certain information about their workers to the UIF.

The details of the workers are stored in the database of the Fund. When workers become unemployed, the Fund can process the application without delay.

Based on Legislation in [Section 10](#), of the Unemployment Insurance Contributions Act

Who Must Submit Declarations to UIF?

All employers must submit monthly declarations directly to the UIF, including those employers registered with SARS.

Based on Legislation in [Section 10](#), of the Unemployment Insurance Contributions Act

UIF Contributions

Employers must pay unemployment insurance contributions of 2% of the value of each worker's pay per month. The employer and the worker each contribute 1%.

Contributions are paid to the Unemployment Insurance Fund (UIF) or the South African Revenue Services (SARS).

Application

The Unemployment Insurance Act and Unemployment Insurance Contributions Act apply to **all employers** and **workers**, but not to -

- workers working **less than 24 hours** a month for an employer;
- **learners**;
- **public servants**;
- **foreigners** working on contract;
- Employees in receipt of an old age pension are, since 07/2/2007, no longer excluded from contributing towards UIF; or
- workers who only earn commission.

Domestic employers and their workers are included under the Act since 1 April 2003.

Contributions Payable

The contribution that employers must deduct from a worker's pay is 1% of the worker's total earnings, excluding commission.

In addition to the 1% deducted from the worker, the employer also contributes 1% for every worker that they employ.

The total contribution paid to the UIF is therefore 2%.

Example:

If a worker earns R1 000 per month, the employer must deduct 1%, namely R10. In addition, the employer must pay R10 for that worker. The total of R20 must therefore be paid to the UIF or SARS.

Earnings Ceiling

Workers who earn more than the annual, monthly or weekly maximum earnings ceiling must also contribute to the Fund, but their contributions are worked out on the maximum earnings ceiling.

Example:

If a worker earns R10 000 per month and the monthly earning ceiling is R1 096 per month, the worker's contribution will be worked out on R8 836.

What employers may not do

Employers may not –

- deduct more than 1%;
- deduct outstanding amounts when they fall behind with payments; and may not
- ask a fee for deducting the money.

If employers deduct too much money by accident, they must pay the extra money back to workers.

Based on Legislation in [Section 6](#) and [Section 7](#) of the Unemployment Insurance Contributions Act

Payment of Contributions

Employers must pay the 1% they deducted from workers, together with the 1% they have contributed, to the UIF or SARS before the 7th of every month.

Example:

Contributions due for January, must reach the UIF or SARS on or before 7 February.

If the 7th day of a month is not a business day, employers must pay on or before the last business day before the 7th. "Business day" means any day that is not a Saturday, Sunday or Public Holiday.

Based on Legislation in [Section 8](#), [Section 9](#), of the Unemployment Insurance Contributions Act

How to Pay the UIF

There are various ways to pay the UIF. It is employers' responsibility to deduct money from their workers and pay it and their own contributions to the UIF.

Paying by stop order

If employers want to pay with a stop order they must use the following steps:

Step 1: Go to your bank

Employers must go to their bank and fill in the forms they give you to pay the money into the UIF account. You can use one of the following accounts of the UIF:

FNB (employers of domestic workers only)

Account number: 62052400547

Branch code: 25-31-45

FNB (commercial employers)

Account number: 51420056941

Branch code: 25-31-45

ABSA (all employers)

Account number: 4055481885

Branch code: 32-31-45

Standard Bank (all employers)

Account number: 010032185

Branch code: 00-45

CDI No: 0068730083641

Nedbank (all employers)

Account number: 1454041560

Branch code: 14-54-05

The name of the account holder is Unemployment Insurance Fund.

Ask the bank to use your employer reference number as reference.

Step 2: Send the payment advice

The UIF send employers the payment advice form every month. You can also get it on the website. Complete this form when you pay and send it in one of the following ways:

- Mail it to: UIF, Pretoria, 0052
- Fax it to: (012) 337 1931
- E-mail it to: enquiries@uif.gov.za

Paying by cheque

As from 1 February 2005, the UIF will no longer accept cheques as a form of payment.

Please make use of one of the other available payment methods.

Paying by Direct Bank Deposit

If employers want to pay the money directly into the UIF's account they must use the following steps:

Step 1: Go to your bank

Employers must go to their bank and fill in a deposit slip. You can use one of the following accounts of the UIF:

FNB (employers of domestic workers only)

Account number: 62052400547

Branch code: 25-31-45

FNB (commercial employers)

Account number: 51420056941

Branch code: 25-31-45

ABSA (all employers)

Account number: 4055481885

Branch code: 32-31-45

Standard Bank (all employers)

Account number: 010032185

Branch code: 00-45

CDI No: 0068730083641

Nedbank (all employers)

Account number: 1454041560

Branch code: 14-54-05

The name of the account holder is Unemployment Insurance Fund.

Use your employer reference number as reference when you fill in the slip.

Step 2: Send the payment advice

The UIF send employers the payment advice form every month. You can also get it on the website. Complete this form when you pay and send it in one of the following ways:

- Mail it to:
UIF
Pretoria
0052
- Fax it to:
(012) 337 1931
- E-mail it to:
enquiries@uif.gov.za

Paying by Internet Banking

If employers want to use internet banking to pay the UIF they should use the following steps:

1. **Set the UIF up as a beneficiary**

Employers must set the UIF up as a beneficiary. Some banks already have to UIF set up (this will be in the same way they set up clothing accounts and water and electricity accounts). If you are not sure about this, contact your bank.

You can use one of the following accounts of the UIF:

FNB (employers of domestic workers only)

Account number: 62052400547

Branch code: 25-31-45

FNB (commercial employers)

Account number: 51420056941

Branch code: 25-31-45

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Deductions

Employers may only deduct money from a worker's pay if the worker agrees or if they are required to do so.

Application

The Basic Conditions of Employment Act applies to all **employers** and **workers**, but not -members of the -

- National Defence Force,
- National Intelligence Agency, or
- South African Secret Service; or
- unpaid volunteers working for charity.

The section of the Act that regulate **working hours** does not apply to:

- workers in senior management
- sales staff who travel and regulate their own working hours
- workers who work less than 24 hours in a month
- workers who earn more than R115 572 per year
- workers engaged in emergency work are excluded from certain provisions.

The provisions for deductions do not apply to -

- workers who work less than 24 hours a month

Conditions for Deductions

Employers may not deduct money from a worker's pay unless –

- the worker agrees in writing to the deduction of a debt, or
- the deduction is made in terms of a collective agreement, law (e.g. UIF contributions), court order or arbitration award.

Based on Legislation in [Section 34](#), of the Basic Conditions of Employment Act

Deductions for Damage or Loss

Deductions for damage or loss caused by the worker may only be made if –

- the employer has followed a fair procedure and given the worker a chance to show why the deduction should not be made,
- the worker agrees in writing, and
- the total deduction is not more than 25% of the worker's net pay.

Based on Legislation in [Section 34](#), of the Basic Conditions of Employment Act

Deductions for Benefit Funds

Employers must pay deductions and employer contributions to benefit funds (pension, provident, retirement, medical aid, etc.) to the fund **within 7 days**.

Based on Legislation in [Section 34](#), of the Basic Conditions of Employment Act