

## UIF FAQ

### **What is the UIF?**

The UIF provides temporary aid to workers who're unemployed or can't work as a result of maternity leave or because they're medically unfit. Dependents of a breadwinner who died while he/she was contributing to the UIF can also be paid from the fund.

### **Who has to contribute to the UIF?**

All domestics who work more than 24 hours a month. A domestic is someone who does housework but the category also includes gardeners, household chauffeurs, people who care for children, pensioners, the ill and the weak or disabled. Farm domestics are not included.

### **When must domestics and their employers start contributing to the UIF?**

As of 1 April 2003 it will be illegal not to make monthly contributions to the UIF.

How much does the employer have to pay to the fund?

Employers must pay one per cent of the worker's gross salary.

### **How much does the worker have to contribute?**

One per cent of earnings. If she earns R1 000 a month she'll then have to pay R10 and her employer will have to pay R10 (on top of the worker's salary). The worker will then get R990 a month. In total two percent (R20) of her salary is contributed to the fund.

### **Who's responsible for the payments?**

It's the employer's responsibility to ensure the worker is registered and the money is paid to the UIF. If you didn't register your domestic before 1 April 2003 you could be prosecuted and fined.

### **What if a domestic works for more than one employer?**

Each employer for whom she works more than 24 hours a month must register her and make a UIF contribution.

### **What information is necessary to register a worker?**

Your domestic's full name and surname, her ID number, place of work, the salary you pay her, when you first employed her and how much you and she contribute to the UIF. You'll also need your ID. Note: You and your worker must have new ID books.

## **When and where must the employer pay into the UIF?**

The employer must pay before the seventh of every month. You can choose to pay every three or six months or annually. Employers registered with the Receiver of Revenue for tax purposes (for example for a PAYE system or skills development levies) must pay directly to the Receiver. Otherwise payment must be made to the UIF. Bank details: First National Bank, account number 51420056941, branch code 253145. It's a cheque account in the name of the UIF. Postal address: Unemployment Insurance Fund, Pretoria 0052. Payments can also be made by credit card or electronically at the UIF website at [www.uif.gov.za](http://www.uif.gov.za)

## **How are UIF benefits calculated?**

A worker earning a minimum wage will receive 58 per cent of her salary when she becomes unemployed. The duration of the payments will depend on how long she's worked. After being unemployed for one month she'll be paid out one month for every six months she's worked, for a maximum of eight months.

## **Who's eligible for UIF benefits?**

A domestic can receive UIF benefits only if she's fired, not if she resigns. Workers unable to work because of illness, workers on maternity leave and women who adopt children under two also qualify. Relatives of a deceased domestic need her death certificate, ID book and her children's' birth certificates to claim benefits.

## **Which workers don't qualify for UIF benefits?**

A worker can register and work as a domestic until after retirement age (60) but can't be registered for UIF benefits and receive a government pension at the same time. Because UIF registration is now compulsory, she'd have to forego her government pension while she's working. A domestic won't qualify for UIF benefits if she's already receiving payouts from the government's Accident Fund.

## **If I've paid my domestic's UIF contributions for six months in advance and she resigns after a month can I claim my money back?**

Your UIF contribution is non-refundable. You'll have to absorb the loss and make new contributions for your new domestic. If you don't know how long you'll be employing a domestic — if you're about to move to a new town or city, for example — rather make monthly payments.

## **If a domestic works for four people and one fires her, will she be able to claim from the UIF?**

Yes, she can claim UIF compensation for loss of income even if she has other work.

## **How often can a worker claim from the UIF?**

It depends on the kind of claim. As a rule a worker may receive payments only once every four years but a woman who's received maternity benefits and been dismissed soon after returning to work will be able to claim again.

### **How will UIF contributions be policed?**

From 1 April 2003 inspectors from the Department of Labour will be going from door to door. Organisations such as the Black Sash and the SA Domestic Service and Allied Workers Union will also keep an eye open. A Labour Department spokesman says the government will also rely on domestics to report erring employers. If you fire your domestic and she wasn't registered she'll probably report you.

### **How will offenders be punished?**

When your domestic makes a UIF claim and it becomes clear you haven't contributed you'll be liable for the outstanding amount (two per cent of her wages for the duration of the time she worked for you). You'll also be fined 10 per cent of the total amount, plus interest. If you refuse to pay you could be prosecuted.

### **How and where can domestics receive UIF payouts?**

When a domestic's service is no longer required she must insist on a copy of the UI-19 form that proves how long she's worked for you. If she can't find a new job she must take this and her ID book to the Department of Labour. (An electronic system has replaced the blue cards previously used for UIF claims.) According to Tia Young, author of the book *DomesticWise*, many rural domestics think they'll get bigger payouts if they go to big cities to claim. She emphasises payouts are calculated in the same way all over the country.

### **Can the system be abused?**

A Labour Department spokesman is optimistic offenders will easily be identified and prosecuted. Domestics who think they can work for six months then claim unemployment insurance will run into trouble because they may claim only every four years. Before they can get their payouts they have to register at a labour centre as a jobseeker and they'll be helped to find work.

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This article appeared in YOU magazine on 27 February 2003 and has been shortened for purposes of only highlighting the text that remained relevant.