

EXTERNAL REFERENCE GUIDE

GUIDE FOR EMPLOYERS IN RESPECT OF THE UNEMPLOYMENT INSURANCE FUND

GUIDE FOR EMPLOYERS IN RESPECT OF UIF
UIF-GEN-01-G01
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DISCLAIMER

The information contained in this guide is intended as guidance only and is not considered to be a legal reference, nor is it a binding ruling. The information does not take the place of legislation and readers who are in doubt regarding any aspect of the information displayed in the guide should refer to the relevant legislation, or seek a formal opinion from a suitably qualified individual.

For more information about the contents of this publication you may:

- Visit the SARS website at www.sars.gov.za
- Visit your nearest SARS branch
- Contact your own tax advisor/tax practitioner
- If calling from within South Africa, contact the SARS Contact Centre on 0800 00 SARS (7277)
- If calling from outside South Africa, contact the SARS Contact Centre on +27 11 602 2093 (only between 8am and 4pm South African time).

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1 PURPOSE

- The purpose of this document is to assist employers in understanding their obligations relating to Unemployment Insurance Fund (UIF) contributions.

2 SCOPE

- This basic guide explains the legislative requirements applicable to employers for the deduction and payment of UIF contributions.
- The Unemployment Insurance Contributions Act (UIC Act) provides for the imposition and collection of the contributions to the UIF and is administered by the Commissioner for the South African Revenue Service (SARS).

3 REFERENCES

3.1 LEGISLATION

TYPE OF REFERENCE	REFERENCE
Legislation and Rules administered by SARS:	Income Tax Act, No. 58 of 1962: Sections 1, 8B, 8C, Fourth Schedule paragraphs 1,11A, 12, 13(3), 14, and 15(3) and Seventh Schedule Tax Administration Laws Amendment Act No. 21 of 2012. Tax Administration Act No. 28 of 2011 Tax Administration Laws Amendment Act No. 39 of 2013 Unemployment Insurance Contributions Act, No. 4 of 2002: Sections 1, 3, 4, 6, 7(4A), 7(5), 8(1), 8(2), 8(2A), 9, 10, 12, 13(1), 14, and 17 Skills Development Act, No. 97 of 1998: Section 18(2)
Other Legislation:	Children's Act, No. 33 of 1960: Section 89 Public Service Act 1994: Section 1(1) Social Assistance Act, No. 13 of 2004; Sections 4, 5, 6, 9 and 10
International Instruments:	None

3.2 CROSS REFERENCES

DOCUMENT #	DOCUMENT TITLE	APPLICABILITY
PAYE-GEN-01-G01	Guide for employers in respect of Employees' Tax deduction tables	All
PAYE-GEN-01-G02	Guide for employers in respect of fringe benefits	All
PAYE-GEN-01-G03	Guide for employers in respect of allowances	All
PAYE-GEN-01-G03-A01	Rate per kilometre schedule	All
PAYE-GEN-01-G03-A02	Subsistence allowance in respect of foreign travel	All
PAYE-GEN-01-G04	Guide for employer in respect of Employees' Tax	All
PAYE-GEN--01-G05	Guide for Employers in respect of ETI	All
SDL-GEN-01-G01	Guide for Employers iro the SDL - External	All

4 DEFINITIONS AND ACRONYMS

4th Schedule	The Fourth Schedule to the Income Tax Act, No. 58 of 1962
7th Schedule	The Seventh Schedule to the Income Tax Act, No. 58 of 1962
Commissioner	The Commissioner for the South African Revenue Service (SARS)
Contribution	Contribution as determined in terms of Section 6 of Unemployment Insurance Contributions (UIC) Act No 4 of 2002 and any administrative penalty levied in terms of this Act.
EMP201	Monthly Employer Declaration
EMP501	Employer Reconciliation Declaration
Employee	Section 1 of the UIC Act defines an employee for Unemployment Insurance (UI) contribution purposes as any natural person who receives any remuneration or to whom remuneration accrues in respect of services

	rendered or to be rendered by that person but excluding an independent contractor.
Employer	Section 1 of the UIC Act and paragraph 1 of the 4 th Schedule defines an employer as any person who pays or is liable to pay a person an amount by way of remuneration (excluding any person not acting as a principal). It includes a person responsible for the payment of an amount by way of remuneration to a person under the provisions of a law or out of public funds or out of funds voted by Parliament or Provincial Council.
IT Act	The Income Tax Act No. 58 of 1962.
PAYE	Pay As You Earn, also known as employee's tax.
Relevant material	As defined per section 1 of the Tax Administration Act means any information, document or thing that is foreseeable relevant for tax risk assessment, assessing tax, collecting tax, showing non-compliance with an obligation under a tax Act or showing that a tax offence was committed
Remuneration for UIF contribution proposes	<ul style="list-style-type: none"> • Remuneration for UIF purposes is defined as remuneration for Employees' Tax purposes (before taking any allowable deductions into account which the employer may have deducted for purposes of calculating employees' tax), but does not include any amount paid or payable to an employee: <ul style="list-style-type: none"> ▫ by way of pension, superannuation allowance or retiring allowance; ▫ that constitutes an amount contemplated in paragraphs (a), (cA), (d), (e) or (eA) of the definition of gross income in section 1 of the Income Tax Act; ▫ by way of commission.
Representative employer	<ul style="list-style-type: none"> • Representative employer contemplated in the 4th Schedule means: <ul style="list-style-type: none"> ▫ In the case of the company, the public officer of that company, or, in the event of such company being placed in liquidation or under judicial management, the liquidator or judicial manager, as the case may be; ▫ In the case of any municipality or any body corporate or unincorporated (other than a company or a partnership), any manager, secretary, officer or other person responsible for paying remuneration on behalf of such municipality or body; ▫ In the case of a person under legal disability, any guardian, curator, administrator or other person having the management or control of the affairs of the person under legal disability; or ▫ In the case any employer who is not resident in the Republic, any agent of such employer having authority to pay remuneration. • The representative employer is not relieved from any liability, responsibility or duty of the employer and is therefore, subject to the same duties, responsibilities and liabilities as the employer.
SARS	The South African Revenue Service.
UI	Unemployment Insurance.
UI Act	The Unemployment Insurance Act, no 63 of 2001.
UI Commissioner	Unemployment Insurance Commissioner.
UIC Act	The Unemployment Insurance Contributions Act, No 4 of 2002.

5 BACKGROUND

What is Unemployment Insurance Fund

- The UIF has been established in order to provide short term relief to workers when they become unemployed or are unable to work because of illness, maternity or adoption leave and also to provide relief to the dependants of a deceased contributor in terms of the UI Act.
- The UIF provides five types of benefits:
 - Unemployment benefits;
 - Illness benefits;
 - Maternity benefits;
 - Adoption benefits;
 - Dependants' benefits.

6 GOVERNING LEGISLATION

Reference to the Act

Paragraphs of the 4th Schedule to the IT Act.
Paragraphs of the 7th Schedule to the IT Act.
Chapters of the Tax Administration Act.
Sections of the UIC Act.

Meaning

- The paragraphs of the 4th Schedule referred to in this publication are governed by the Income Tax (IT) Act and the Sections are governed by the UIC Act. References to sections governed by the IT Act are specifically indicated.
- Certain provisions of the Tax Administration Act have been made applicable for the purposes of UIF contributions. The provisions of these Acts apply to any contribution due and payable in respect of:
 - The administration thereof;
 - Returns, the production of information, relevant material or things, enquiries, searches and seizures and evidence on oath;
 - Assessments, objections and appeals;
 - The payment, recovery or refund of any contribution, interest and penalty;
 - Representative taxpayers and representative employers;
 - Reporting of unprofessional conduct;
 - Transactions, operations or schemes for avoiding or postponing liability;
 - Jurisdiction of Courts.

7 THE PURPOSE OF PAYING THE UI CONTRIBUTIONS

Reference to the Act

Section 5 of the UIC Act.

Meaning

- Contributions to the UIF are the compulsory contributions payable in terms of the UIC Act to fund the benefits available to workers in terms of the UI Act. SARS started collecting the UIF contributions from 1 April 2002 and the contributions collected by SARS are transferred to the UIF which is administered by the UI Commission.

Who must contribute to the fund

- Every employer who pays or is liable to pay remuneration to an employee must contribute on a monthly basis to the UIF.
- In terms of section 4, the UIC Act does not apply to the following employers and their employees and are therefore exempt from the payment of UIF contributions in respect of such employees:

- Where an employee is employed by the employer for less than 24 hours a month;
- Where the employee receives remuneration under a contract of employment contemplated in section 18(2) of the Skills Development Act;
- Employees in the national and provincial spheres of Government who are officers or employees as defined in section 1(1) of the Public Service Act, 1994;
- Where an employee has entered the Republic for the purpose of carrying out a contract of service, apprenticeship or learnership within the Republic if upon termination thereof the employer is required by law or by the contract of service, apprenticeship or learnership (as the case may be), or by any other agreement or undertaking, to repatriate that person, or if that person is so required to leave the Republic;
- The following holders of public office:
 - the President, Deputy President, a Minister, Deputy Minister, a member of the National Assembly, a permanent delegate to the National Council of Provinces, a Premier, a member of an Executive Council or a member of a provincial legislature; and
 - any member of a municipal council, a traditional leader, a member of a provincial House of Traditional Leaders and a member of the Council of Traditional Leaders.

8 REGISTRATION

Reference to the Act

Section 8(2A) and 10 of the UIC Act.
Paragraph 15(3) of the 4th Schedule.
Chapter 3 of the Tax Administration Act.

Meaning

- In terms of section 10 of the UIC Act where an employer is liable to pay contributions, the employer must register with SARS **or** the UIF office (whichever is applicable to such employer) for the payment of the contributions.

- **Register at UI Commissioner's office (NOT SARS):**

The following employers must register at the UI Commissioner's office for purposes of paying UIF contributions:

- An employer who is NOT required to register with SARS for employees' tax purposes;
 - An employer who has NOT registered voluntarily with SARS as an employer for employees' tax purposes;
 - An employer who is NOT liable for the payment of skills development levy (SDL) in terms of the Skills Development Levies Act, 1999.
- Should the employer be registered with SARS and there is no prospect of becoming liable for Pay-As-You-Earn (PAYE) and/or SDL in the near future, the employer should deregister with SARS and register with the UIF Commissioner.

- **Registration at SARS:**

Any employer who is liable to register with SARS for the payment of employees' tax and/or SDL or has voluntarily registered with SARS for employees' tax purposes is also required to register with SARS for purposes of paying UIF contributions. Application for registration for UIF purposes is made per EMP101e (Application for Registration).

- It should be noted that an employer does not have any discretion as to

whether to register with either the UI Commissioner or SARS. The liability of the employer to register and pay employees' tax and/or SDL will determine with whom an employer must be registered for UIF purposes.

- Change of registered details: In terms of section 23 of the Tax Administration Act, a taxpayer must communicate any changes to registered particulars to SARS within 21 business days.
- In terms of paragraph 15(3) of the 4th Schedule, an employer shall within 14 days after ceasing to be the employer, notify the Commissioner in writing of the fact of the employer having ceased to be the employer.
- In terms of section 8(2A) of UIC Act, the employer must render a return by such date or dates prescribed by the Commissioner by notice in the Gazette. If during any such period the employer ceases to carry on business in respect of which the employer has paid or becomes liable to pay UI contribution or ceased to be an employer, the employer must within 14 days after the date on which the employer has so ceased to carry on that business or to be an employer, or within such longer time as the Commissioner may approve, render such return as the Commissioner may prescribe.

9 REMUNERATION

Reference to the Act	<p>Paragraph 1 of the 4th Schedule. Paragraphs (a), (cA), (d), (e) or (eA) of the definition of gross income in section 1 of the IT Act. Section 1 of the UIC Act.</p>
Meaning	<ul style="list-style-type: none"> • Remuneration for UIF purposes is defined as remuneration for Employees' Tax purposes (before taking any allowable deductions into account which the employer may have deducted for purposes of calculating employees' tax), but does not include any amount paid or payable to an employee: <ul style="list-style-type: none"> ▫ by way of pension, superannuation allowance or retiring allowance; ▫ that constitutes an amount contemplated in Paragraphs (a), (cA), (d), (e) or (eA) of the definition of gross income in section 1 of the Income Tax Act; ▫ by way of commission.
Examples of remuneration in terms of the 4th Schedule	<ul style="list-style-type: none"> • "remuneration" means any amount of income which is paid or is payable to any person by way of any salary, leave pay, wage, overtime pay, bonus, gratuity, commission, fee, emolument pension, superannuation allowance, retiring allowance or stipend, whether in cash or otherwise and whether or not in respect of services rendered, including:- <ul style="list-style-type: none"> ▫ any amount referred to in paragraph (a), (c), (cA),(d), (e), (eA) or (f) of the definition of "gross income" in section one of this Act; ▫ any amount required to be included in such person's gross income under paragraph (i) of that definition excluding an amount described in paragraph 7 of the Seventh Schedule; ▫ any allowance or advance, which must be included in the taxable income of that person in terms of section 8(1)(a)(i), other than- <ul style="list-style-type: none"> ○ an allowance in respect of which paragraph (c) or (cA) applies; or ○ an allowance or advance paid or granted to that person in respect of accommodation, meals or other incidental costs while that person is by reason of the duties of his or her office obliged to spend at least one night away from his or her usual place of residence in the Republic: Provided that where- <ul style="list-style-type: none"> ▪ such an allowance or advance was paid or granted to a person during any month in respect of a night away

- from his or her usual place of residence; and
- that person has not by the last day of the following month either spent the night away from his or her usual place of residence or refunded that allowance or advance to his or her employer,
 - that allowance or advance is deemed not to have been paid or granted to that person during that first-mentioned month in respect of accommodation, meals or other incidental costs, but is deemed to be an amount which has become payable to that person in that following month in respect of services rendered by that person;
 - 50 percent of the amount of any allowance referred to in section 8(1)(d) granted to the holder of a public office contemplated in section 8(1)(e) 80 percent of the amount of any allowance or advance in respect of transport expenses referred to in section 8(1)(b), other than any such allowance or advance contemplated in section 8(1)(b)(iii) which is based on the actual distance travelled by the recipient, and which is calculated at a rate per kilometre which does not exceed the appropriate rate per kilometre fixed by the Minister of Finance under section 8(1)(b)(iii), provided that where the employer is satisfied that at least 80 percent of the use of the motor vehicle for a year of assessment will be for business purposes, then only 20 percent of the amount of such allowance or advance must be included;
 - 80 percent of the amount of the taxable benefit as determined in terms of paragraph 7 of the Seventh Schedule, provided that where the employer is satisfied that at least 80 percent of the use of the motor vehicle for a year of assessment will be for business purposes, then only 20 percent of such amount must be included;
 - any gain determined in terms of section 8B, which must be included in that person's income under that section;
 - any gain determined in terms of section 8C which is required to be included in the income of that person;
 - any amount deemed to be income accrued to that person in terms of section 7(11).

10 DETERMINATION OF THE UI CONTRIBUTION

Reference to the Act Section 6 of the UIC Act.

- Meaning**
- In terms of section 6 of the UIC Act, the amount of the contribution payable:
 - By an employee, must be 1% of the remuneration paid to him/her by his/her employer;
 - By an employer in respect of any one of its employees, must be equal to 1% of the remuneration paid to that employee.
 - The employer must pay the total contribution of 2% (1% contributed by the employee and 1% contributed by the employer) within the prescribed period.
 - **Threshold for determining the UI contribution** - A contribution shall not apply to so much of the remuneration paid or payable by an employer to an employee, as exceeds:

Effective date	Amounts
With effect from 1 April 2002	R8 099 per month (R97 188 annually)
With effect from 1 April 2003	R8 836 per month (R106 032 annually)
With effect from 1 October 2005	R10 966 per month (R131 592 annually)
With effect from 1 July 2006	R11 662 per month (R139 944 annually)
With effect from 1 February 2008	R12 478 per month (R149 736 annually)
With effect from 1 October 2012	R14 872 per month (R178 464 annually)

How to determine the UI contribution

Action and status	Authority
1. Total remuneration	Definition of "Remuneration" in Par. 1 of the 4 th Schedule"
3. LESS: <ul style="list-style-type: none"> • Amounts payable by way of any pension, superannuating allowance or retiring allowance • that constitutes an amount contemplated in Paragraphs (a), (cA), (d), (e) or (eA) of the definition of gross income in section 1 of the Income Tax Act • Amounts payable by way of commission. 	Sect. 1 of the UIC Act: "Remuneration"
4. EQUALS: UIF remuneration	
5. UIF remuneration (limited to R14 872 pm) x prescribed percentage	Sect. 5 & 6 of UIC Act

11 DEDUCTION OF UI CONTRIBUTION

Reference to the Act Section 7 of the UIC Act.

Meaning

- In terms of section 7 of the UIC Act, an employer must on a monthly basis deduct or withhold the amount of the employee's contribution from the remuneration paid to that employee during that month.
- If remuneration is paid at intervals other than on a monthly basis, the employer must deduct the employee's contributions on such other basis as coincides with the intervals of remuneration paid by the employer to the employee. It is not paid to SARS immediately but will only be paid by the 7th of the following month when the employer submits that month's EMP201.
- The employer **may not**:
 - Deduct amounts that are in excess of the amount of the contribution due by the employee;
 - Seek or receive a fee from the employee for complying with the UIC Act;
 - Deduct arrear contributions from the employee after the end of the financial year during which it was payable.

12 PAYMENT OF UI CONTRIBUTIONS

Reference to the Act Section 8, 8(2), 8(2a) of the UIC Act.
Paragraph 66 of Schedule 1 of the Tax Administration Act

Channels for requesting the EMP201 declarations

- EMP201 can be requested via one of the following channels:

- Post;
- eFiling;
- e@syFile™ Employer;
- SARS branch;
 - Upon issuing of EMP201 by SARS, a PRN will be pre-populated. The PRN is a 19-digit reference number that must be used by an employer to reference payment to the EMP201.

Payments

- In terms of section 8 of the UIC Act, UIF contributions deducted must be paid over to SARS within seven (7) days after the end of the month in respect of which the contributions are payable.
- In terms of section 8(2) of the UIC Act, the employer must, together with the payment, submit a return reflecting the amount of the payment and such other particulars as the Minister of Finance may prescribe.
- In terms of section 8(2A) of the UIC Act, every employer shall render a return by such date or dates as prescribed by the Commissioner by notice in the Government Gazette. Where the employer ceases to carry on any business or other undertaking or to be an employer in respect of which the employer was liable to pay contribution, the employer must render the return to the Commissioner within 14 days after the date on which the employer has so ceased to carry on business or undertaking or to be an employer unless the Commissioner directs otherwise.
- EMP201 not received in time by an employer will not be accepted as an excuse for the late payment of Employees' Tax.

Note 1: With effect from 1 July 2010, the old format EMP201 is no longer accepted by SARS. SARS returns all old format EMP201s received, and penalties and interest are imposed on employers that do not make submissions on time using the newly prescribed EMP201 .

- In terms of Section 9 of the UIC Act, some employers must pay the UIF contributions directly to the UI Commissioner and not to SARS. This only applies to employers who:
 - Are not required to register for Employees' Tax purposes at SARS;
 - Have not registered voluntarily as employers for Employees' Tax purposes at SARS;
 - Are not liable for the payment of skills development levy.
- With effect from 01 April 2010:
 - No cash payments are accepted at a SARS branch;
 - SARS only accepts "Not Transferable" cheque payments where the payee's name is correctly stated in full, in any of the 11 official languages. (SARS no longer accepts cheques made out using the abbreviation "SARS").
- With effect from 16 July 2012:
 - SARS no longer accepts cheque payments exceeding R500 000. This is a decision taken by the Payments Association of South Africa (PASA), the association responsible for managing payments within South Africa, with the endorsement of the South African Reserve Bank (SARB);
 - Banks do not accept "split cheque" payments i.e. single and full amount of payment divided into two or more simultaneous cheque payments to make up an amount larger than R500000.

- Any payment made and placed in a SARS drop box on a business day must be received no later than 15:00. Where payments are received after 15:00, this will be deemed to have been received on the first following business day.
- Please refer to GEN-PAYM-01-G01 - SARS Payment Rules - Reference Guide obtainable from the SARS website www.sars.gov.za.

13 PENALTIES AND INTEREST

Reference to the Act Chapters 12 and 15 of the Administration Act

- Meaning**
- In terms of Chapter 12 of the Tax Administration Act, interest shall be payable at the prescribed rate if any amount of UIF contribution is not paid in full within the prescribed period for payment of such amount. In addition thereto, a penalty in terms of Chapter 15 of the Tax Administration Act will be imposed on late payments or outstanding amounts.
 - The Commissioner may from time to time prescribe the rate of interest payable by notice in the Government Gazette in terms of section 189 of the Tax Administration Act.
 - Any decision by the Commissioner not to remit any penalty or to impose any penalty shall be subject to objection or appeal.

14 ESTIMATED ASSESSMENT

Reference to the Act Section 9(2), 9(2A) and 9A(3) of the UIC Act.
Chapter 8 of the Tax Administration Act

- Meaning**
- The Commissioner may in terms of Chapter 8 of the Tax Administration Act estimate the amount of UIF contribution due by the employer where the employer fails to submit a return as required or where the employer submits a return or information that is incorrect or inadequate.
 - Where the employer who is required to pay UIF contributions to the UI Commissioner in terms of section 9.
 - Has failed to submit a statement as required in terms of section 9(2);
 - Has furnished a return as required in terms of section 9(2A) but the Commissioner is not satisfied with the return;
 - Has failed to deduct or withhold employees' contributions;
 - Has failed to pay over any contributions deducted or withheld and such employer has not been absolved from his or her liabilities in terms of the provisions of this Act, the Unemployment Insurance Commissioner, may make a reasonable estimate of the amount of any contributions due in terms of section 6 and issue to the employer a notice of assessment for the unpaid amount.
 - An employer shall be liable to the Commissioner for the payment of the amount of any employees' contribution so estimated as if such amount was deducted or withheld as contemplated in section 7.
 - Any estimate of the contribution payable by an employer in terms of subsection (1), shall be subject to objection or appeal.

15 REFUNDS

Reference to the Act Section 7(5) the UIC Act.
Chapter 13 of the Tax Administration Act.

Meaning

- In terms of section 7(5) of the UIC Act, if it becomes known to the employer that the payment made in respect of the UIF contribution was not due and payable or was in excess of the amount due or payable, the employer must refund the employee such amounts, despite the amount not having been refunded to the employer by the Commissioner or the UI Commissioner.
- In terms of Chapter 13 of the Tax Administration Act, an amount becomes refundable by SARS to the relevant employer, if the amount of any contribution, interest or penalty paid by that employer was not due or payable or is in excess of the amount due or payable.
- In terms of section 190 of the Tax Administration Act, a person is entitled to a refund of:
 - an amount properly refundable under a tax Act and if so reflected in an assessment; or
 - the amount erroneously paid in respect of an assessment in excess of the amount payable in terms of the assessment.

16 OBLIGATION OF EMPLOYER TO SUBMIT RECONCILIATION (EMP501)

Reference to the Act Paragraph 14(3) of the 4th Schedule.
Chapter 4 of the Tax Administration Act.

Meaning

- Paragraph 14(3) of the 4th Schedule prescribes that an employer is obliged to furnish a reconciliation statement showing details of the total amount of Employees' Tax deducted or withheld as well as the details of IRP5/IT3(a)s issued during the tax year. This also applies to UIF.
- The purpose of the reconciliation is to:
 - reconcile the amount of UIF Contributions that were declared and paid over to SARS on the EMP201, with the UIF reflected on the IRP5/IT3(a)s issued for that tax year;
 - Justify all issued, cancelled, lost and destroyed IRP5/IT3(a)s.
- The EMP501 must be submitted:
 - by such date or dates prescribed by the Commissioner by notice in the *gazette*; and
 - if the employer ceases to carry on any business or other undertaking in respect of which the employer has paid or becomes liable to pay remuneration to any employee or otherwise ceases to be an employer, within 14 days after the date on which the employer has so ceased to carry on that business or undertaking or to be an employer, as the case may be;
 - or within such longer time as the Commissioner may approve, render to the Commissioner a return.

17 RECORD KEEPING

Reference to the Act Paragraph 14(1) of the 4th Schedule.
Chapter 4 of the Tax Administration Act.

Meaning

- In terms of paragraph 14(1) of the 4th Schedule every employer must keep a record of remuneration paid and UIF contributions deducted in respect of each employee. This register must contain personal particulars, financial details and income tax reference number of each employee.
- Chapter 4 of the Tax Administration Act prescribes that these records must be maintained in such form, including any electronic form, as may be

prescribed by the Commissioner in a public notice.

- Furthermore, records must be kept for a period of 5 years from the date of the submission of the return and from the end of the relevant tax period where the taxpayer is required to submit a return but has not submitted such return.
- The records must be available for inspection purposes by SARS or UIF officials. Employers' declaration information on an electronic medium or electronically, must also be kept for the prescribed period.

18 DECLARATION INFORMATION

Reference to the Act Section 10(1) of the UIC Act.
Chapter 3 of the Tax Administration Act.

- Meaning**
- In terms of section 10(1) of the UIC Act, the employer must apply for registration to the Commissioner, in accordance with Chapter 3 of the Tax Administration Act or the Unemployment Insurance Commissioner.
 - The fund has established an employer/worker database in which all employment details of the workers are stored. This database eliminates paper-based operations including the previous "Blue card" system and the potential for fraudulent claims as each claimant can be pre-qualified for benefits even before such claimant reports to the UIF offices.
 - The UIF has various methods available through which employers can provide such worker's employment details to the fund. This includes sending the information manually to the fund by submitting a UI-19 form. Employers who have electronic payrolls may send their information electronically in the specified format as prescribed by the UI Commissioner.
 - The UI-19 form and details regarding the specified format may be obtained from the specification document on the UIF website www.uif.gov.za.
 - Irrespective of where the employer is registered for payment (SARS or the UI Commissioner), the UI-19 declaration must **ONLY** be submitted to the UI Commissioner.

19 OFFENCES

Reference to the Act Chapter 17 of the Tax Administration Act.

- Meaning**
- Any person commits an offence if that person:
 - Fails to submit a return or document to SARS or issue a document to a person as required;
 - Fails or neglects to register or notify SARS of a change in registered particulars as required in terms of Chapter 3 of the Tax Administration Act;
 - Fails or neglects to retain records as required by the Tax Administration Act;
 - Submits a false certificate or statement under Chapter 4 of the Tax Administration Act;
 - Refuses or neglects to take an oath or make solemn declaration.
 - A person convicted of such an offence will be liable to a fine or imprisonment for a period not exceeding two years.
 -

20 DOCUMENT MANAGEMENT

Designation	Name/Division
Business Owner:	GE: Enterprise Business Enablement
Policy Owner:	GE: Enterprise Business Enablement
Author:	C Rossouw
Details of change from previous revision:	General review
Template number and revision	POL-TM-07 - Rev 4