



Unemployment Insurance (U.I.F.) - Updated

A contributor to and therefore a beneficiary of U.I.F. is a person not earning in excess of a determined amount. **This maximum rate of earnings has been increased to R17 712 per month equivalent to R4 087,70 per week or R212 544 per annum with effect from 1 June 2021.**

Employers must now pay over contributions in respect of all employees who qualify as contributors within the new limits.

The amount of "earnings" for U.I.F. purposes is determined by including payments in money or in kind arising out of employment (including cost of living allowances) but excluding -

- Commissions or a share of the takings.
- Payment for overtime.
- Payments based on quantity of output or work done (but including guaranteed amounts or minimum remuneration).
- Value of training received in terms of an apprenticeship or learnership contract.

Accordingly, fixed allowances for entertainment, motor vehicles, uniforms, cellphones, computers and subsistence are part of earnings but not if amounts are paid for these items on a re-imbursive basis.

Apparently the U.I.F. Department also considers that fringe benefits by way of meals supplied, subsidised residential accommodation and subsidised medical aid contributions (in excess of two thirds) are to be treated as part of earnings.

