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21 November 2022

To: CATHSSETA Stakeholders

Dear CATHSSETA stakeholders,

Unemployment Insurance Fund (UIF) Contributions by unemployed learners

This letter serves to notify stakeholders within the CATHSSETA diverse subsectors of the Amendment of section 4(b) of the Unemployment Insurance Contributions Act, 2002 which exempted employees and their employers where the employee receives remuneration under a learnership agreement registered in terms of the Skills Development Act No. 97 of 1998 from making UIF contributions.

Section 89 of the Taxation Laws Amendment Act, 2017 states:

- (1) The unemployment Insurance Contributions Act, 2002, is hereby amended by the deletion in section 4 of paragraphs (b) and (d)
- (2) Subsection (1) comes into operation on 1 March 2018.

This therefore, means that effective from 01 March 2018, employers should deduct 1% from the learner stipend (learnerships, skills programmes, apprenticeship, work integrated learning and internships programmes) and further make their employer contribution of 1% in terms of the provisions of the Unemployment Insurance Fund Contributions Act and the Unemployment Insurance Fund Act. The employer contribution may be made from the administration costs and the training allowance costs.

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Any enquiries with regards to the contents of this letter should be directed to your respective Regional Offices.

Yours in Skills Development

Lebogang Mpye (Ms)

A handwritten signature in black ink, appearing to read "Lebogang Mpye", is written over a horizontal line.

Executive Manager: Learning Programmes
CATHSSETA

payable by employers within the jurisdiction or a part of the jurisdiction of a SETA, different from the rate and basis contemplated in subsection (1)(a) or (b), but subject to subsection (7).

(6) The rate and basis determined in a notice in terms of subsection (5) may not have the result that the amount of the levies collected by virtue of such notice is less than the amount of the levies which would have been collected, based on the rate and basis contemplated in subsection (1)(a) or (b). 5

(7) The Minister may, in consultation with the Minister of Finance, determine criteria for purposes of any determination contemplated in subsection (5). 10

(8) The notice referred to in subsection (5) must contain—

- (a) the rate and basis for the calculation of the levy;
- (b) the date on which the levy becomes payable;
- (c) a description of the employers falling within the jurisdiction of the SETA or part of the jurisdiction of the SETA in respect of which the levy is payable; and 15
- (d) any other matter necessary to ensure the effective collection of the levy.”

(2) Subsection (1) is deemed to have come into operation on 19 January 2017. 20

Amendment of section 4 of Act 4 of 2002, as amended by section 208 of Act 45 of 2003, section 144 of Act 24 of 2011 and section 152 of Act 22 of 2012

89. (1) The Unemployment Insurance Contribution Act, 2002, is hereby amended by the deletion in section 4 of paragraphs (b) and (d).

(2) Subsection (1) comes into operation on 1 March 2018. 25

Amendment of section 1 of Act 25 of 2007, as amended by section 145 of Act 24 of 2011, section 153 of Act 22 of 2012, section 110 of Act 43 of 2014, section 137 of Act 25 of 2015 and section 90 of Act 15 of 2016

90. (1) Section 1 of the Securities Transfer Tax Act, 2007, is hereby amended—
(a) by the substitution in subsection (1) for the definition of “collateral arrangement” of the following definition: 30

“‘collateral arrangement’ means any arrangement in terms of which—

- (a) a person (hereafter the transferor) transfers a listed share or any bond issued by the government of the Republic in the national or local sphere or any sphere of government of any country other than the Republic if that bond is listed on a recognised exchange as defined in paragraph 1 of the Eighth Schedule to the Income Tax Act to another person (hereafter the transferee) for the purposes of providing security in respect of an amount owed by the transferor to the transferee; 35 40
- (b) the transferor can demonstrate that the arrangement was not entered into for the purposes of the avoidance of tax and was not entered into for the purposes of keeping any position open for more than 24 months; 45
- (c) that transferee in return contractually agrees in writing to deliver an identical share, as defined in section 1 of the Income Tax Act, or any bond issued by the government of the Republic in the national or local sphere or any sphere of government of any country other than the Republic that is listed on a recognised exchange as defined in paragraph 1 of the Eighth Schedule to the Income Tax Act to that transferor within a period of 24 months from the date of transfer of that listed share or bond from the transferor to the transferee; 50

Act No. 4, 2002 UNEMPLOYMENT INSURANCE CONTRIBUTIONS ACT, 2002

Purpose of Act

2. The purpose of this Act is to provide for—
- (a) the payment of contributions for the benefit of the Unemployment Insurance Fund; and
 - (b) procedures for the collection of such contributions.

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Administration of Act

3. (1) This Act must be administered by the Commissioner.
 (2) The Commissioner may delegate any power or assign any duty which relates to the collection of—
- (a) contributions payable to the Unemployment Insurance Commissioner in 10 terms of section 9; and
 - (b) any information to be submitted by employers in terms of this Act, 20 to the Unemployment Insurance Commissioner.

Application of Act

4. (1) This Act applies to all employers and employees, other than—
- (a) an employee and his or her employer, where such employee is employed by 15 that employer for less than 24 hours a month;
 - (b) an employee and his or her employer, where that employee receives 20 remuneration under a learnership agreement registered in terms of the Skills Development Act, 1998 (Act No. 97 of 1998);
 - (c) employers and employees in the national and provincial spheres of govern- 25 ment; and
 - (d) an employee and his or her employer, where that employee has entered the 30 Republic for the purpose of carrying out a contract of service, apprenticeship or learnership within the Republic if upon the 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.
- (2) Despite subsection (1), this Act will only apply to domestic and seasonal workers and their employers 12 months after this Act takes effect.

CHAPTER 2**DUTY TO CONTRIBUTE AND RECOVERY OF CONTRIBUTIONS****Duty to contribute to Fund**

5. (1) Every employer and every employee to whom this Act applies must, on a 35 monthly basis, contribute to the Unemployment Insurance Fund.
 (2) The contributions must be paid by the employer either to the Commissioner in terms of section 8 or to the Unemployment Insurance Commissioner in terms of section 9, whichever is applicable to the particular employer.

Determination of contribution

6. (1) Subject to subsection (2), the amount of the contribution payable in terms of 40 section 5—
- (a) by an employee, must be one per cent of the remuneration paid or payable to that employee by his or her employer during any month; and
 - (b) by an employer in respect of any one of its employees, must be equal to one 45 per cent of the remuneration paid or payable by that employer to that employee during any month.