

Increase of the Scale of Benefits

The Minister of Labour gazetted an increase to the unemployment benefits ([Government Gazette No 40691, Notice No.231](#)) in terms of the Unemployment Insurance Act, 2001 (Act No 63 of 2001).

Accordingly the scale of benefits referred to in Government Notice No. 588 has been amended and as of **1 April 2017** the UIF earnings limit has been increased from R178 464 per annum to R212 539 per annum (or R14 872 per month to R17 712 per month).

Previously the scale of benefits was increased in August 2012 (Government Notice No. 588) and the contributions limit was increased in September 2012 (GG No 35715, GGN 782), but both increases were effective from 1 October 2012.

The notice (GN No 231) did not relate to the monthly contributions to be paid by employees and employers. It was also communicated that there is no change to the monthly contributions by employees and employers.

However, the U-filing function on the Department of Labour's website has implemented the new benefits threshold to the contributions limit when submitting via U-filing, but if paying via SARS using e-filing there are no changes. This resulted in an unequal treatment of employers depending on filing methods being used as shown:

	SARS filing	U-filing
Paid by employee per month	R148.72	R177.12
Paid by employer per month	R148.72	R177.12
Maximum paid per employee per month	R297.44	R354.24
Difference		R56.80

The UIF has provided feedback that the threshold was changed on the system erroneously and it is currently being corrected. SAICA has not yet received feedback on when this will be completed.