

UIF AND TERS BENEFITS FOR COMMISSION ONLY EARNERS

We are getting many questions from people who earns commission on whether they would benefit from the Temporary Employer/Employee Relief Scheme (“TERS”)

This is currently a grey area as commission only employees are excluded from the Unemployment Insurance Contributions Act.

The Unemployment Insurance Act and Unemployment Insurance Contributions Act apply to all employers and workers, but not to

- workers working less than 24 hours a month for an employer;
- learners;
- public servants;
- foreigners working on contract;
- Employees in receipt of an old age pension are, since 07/2/2007, no longer excluded from contributing towards UIF; or
- workers who only earn commission

Th question is whether commission only employees who do not contribute to the UIF fund would benefit from TERS and that is a grey area now. We are communicating with UIF and will revert as soon as we have an official reply.

With the introduction of the National Minimum Wage Act (“NMWA”) in January 2019, this area is even more complicated as the act implies that where there is an employer/employee relationship, commission only earners fall under the NMWA. This would mean that employers must pay at least the minimum wage according to the NMWA, irrespective of commission earned. If that is the case, surely the National Minimum Wage part should form part of UIF and deductions should be made accordingly.

TERS make very strong reference to the NMWA and we are following up on this.

if you need assistance with registering or have any questions to please contact Stefan@edgexec.co.za

