

# MEMO

1/2022 19 APRIL 2022



## UIF SUSPENDS ISSUING OF COMPLIANCE CERTIFICATES VIA E-COMPLIANCE SYSTEM

Following several months of engagement with the Unemployment Insurance Fund (UIF), CAPES can confirm that the UIF now publicly acknowledges the challenges being experienced with the eCompliance system and the risks to business caused by the failure to secure a compliance certificate.

*Whilst the matter is far from resolved, and CAPES will continue to robustly engage with the UIF in this regard, the recent decisions and actions taken by the UIF are welcomed as an interim solution.*

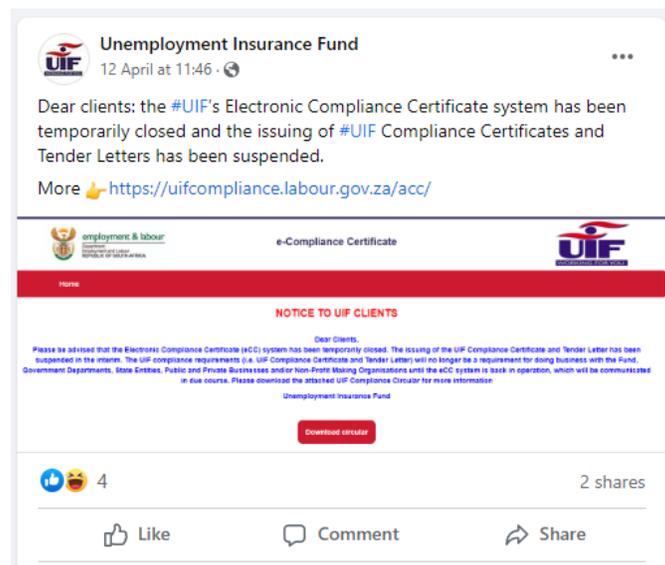
### Suspension of Compliance Certificates via ECC

We can hereby confirm that the UIF has suspended the issuing of all compliance certificates, pending the revision of the business rules utilised to determine compliance, and the inputs provided by business stakeholders, including CAPES, to enable fair alignment with the practical realities of today's flexible and dynamic labour market.

The UIF issued a revised circular 2B2022 (attached) which is readily available on the e-Compliance system website, that seeks to explain the status quo and encourages all parties, including private sector, to accept the circular in lieu of compliance certificates for tender and other purposes.

CAPES has requested that the UIF review the circular to be clearer, however it is uncertain whether this will happen.

Recent posting on the Department's social media pages does however clearly indicate the suspension of certification etc. The UIF has committed to engage in a PR campaign to ensure that the public is aware of the current situation.



## **Call for continued Compliance**

Whilst the compliance certificates have been suspended, CAPES urges all members to ensure that they continue to maintain compliance with monthly declarations, contributions payments, and the accurate maintenance of employee records.

Members are reminded that contributions payments to SARS should be accompanied by direct declarations to UIF, either via eDecs (payroll submission), uFiling, or digital UI19. More information on these methods can be gleaned via [www.labour.gov.za](http://www.labour.gov.za)

Organisations are further recommended to ensure that company details, including PAYE numbers – as linked to UIF reference numbers – is updated.

## **Way Forward**

CAPES will continue to engage with senior officials within the UIF, as well as with key stakeholders including those involved in payroll software provision, to unpack the challenges and identify workable solutions.

Key amongst these include:

- Assurance that UIF systems are responsive, maintaining accuracy of data as submitted
- Reasonable retrospective periods for closing any declaration gaps
- Recognition that engagement and payment periods are flexible/non-uniform
- Multi-employer engagements are commonplace in dynamic labour market
- LRA s197 start dates should not be linked to declarations in case of transferred employees

We will keep members informed of progress.

-Ends-