

# UIF audits companies that claimed Covid-19 Ters monies

Companies that are not complying with legislation of the Unemployment Insurance Fund (UIF) are being dealt with, says the Department of Employment and Labour.



Image source: Leon Swart – [123RF.com](https://www.123RF.com)

In a statement on Wednesday, the department said that Phase two of the UIF's "Follow the Money Project" which started this month has its sight set on employers that have not declared employees and kept Covid-19 Temporary Employer-Employee Relief Scheme (Covid-19 Ters) monies to themselves instead of paying their workers.

Speaking at a breakfast session with employers in Mafikeng, North West, on Tuesday, UIF Commissioner Teboho Maruping said the Fund is implementing an on the spot as well as an overtime recoupment process.

The Commissioner said that the former process will apply where, prior to March 2020, employees were not declared by employers. In such instances, he said 70% of the two percent contributed by the Fund will be recovered immediately.

"In these cases, only 30% will be recouped over a period of time, from employers. In cases where monies were claimed

from the UIF but did not reach the intended employees, 50% will be immediately recouped by our teams,” Commissioner Maruping told employers.

This initiative forms part of Phase 2 of UIF’s “Follow the Money Project” that has already recovered over R900m.



## Employers urged to pay contributions and declare workers

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The project saw the UIF employ six audit companies to follow all Covid-19 Ters monies to ensure that the correct amount was paid to the workers at the right time.

Maruping said that the six auditing companies are now being bolstered by a team from the Fund that is currently visiting employers to conduct an internal verification of the declared employees.

“We are checking all the companies that were paid Covid-19 Ters but at the moment we are focusing on the ones that have been the focus of the Auditor General of South Africa. Once that is done, we will visit all the other companies that were paid by the UIF.

“When we visit you for the “Follow The Money Project”, we are checking the information you declared with us, the number of employees and figures that an employer has declared with the Fund is what we will look at,” he said.

Maruping also spoke about the importance of complying with the Fund’s laws.

“Employers are obligated by Section 56 of the Unemployment Insurance Act (UIA) and Chapter 2 of the Unemployment Insurance Contributions Act (UICA), to register and declare their workers to the Fund, as well as pay monthly contributions,” Maruping said.

UIF Deputy Director of Compliance, Siphamandla Gumede, called on employers to comply with the law, warning companies about the legal risks they can encounter if they don’t comply with the UI Act.

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