The ABC's of what you need to know

ISSUE 02 | OCTOBER 2026 | UNDERSTANDING UIF

The **Unemployment Insurance Fund (UIF)** provides short-term financial support to qualifying contributors when they become unemployed or cannot work due to illness or maternity, adoption or parental leave. It also provides benefits to dependants of deceased contributors.

UIF is administered by the **Department of Employment and Labour (DoL)**. **Registration is compulsory for employers who fall within the relevant legal requirements. Employers liable for both PAYE and UIF have a legal obligation to register with both SARS and the DoL/UIF.** Registering and paying through SARS does not remove the DoL's registration and reporting requirements.

For employers registered with SARS for PAYE and UIF, **SARS acts as the collection agency for the DoL**, collecting UIF contributions alongside PAYE. The SARS UIF reference number is the PAYE number with the starting **7 replaced by U**. For example, **7123456789 becomes U123456789**. This is separate from the UIF registration number issued by the DoL.

Paying is only part of the process. The DoL also requires a monthly employee declaration showing whom the contributions relate to, together with relevant earnings and employment details. These records build each employee's contribution and employment history, which the UIF reviews when assessing a claim. Missing or incorrect declarations can delay that process.

A proper **payroll system** should keep accurate records of earnings, PAYE and UIF contributions for each employee and support:

- **Monthly employee declarations to the DoL.**
- **Monthly EMP201 declarations and payments to SARS**, where applicable.
- **Twice-yearly SARS reconciliations through EMP501 submissions**, together with the relevant IRP5/IT3(a) employee tax certificate information.

Accurate payroll records help ensure that payments and declarations agree—and that employees' UIF histories are available when they need to claim.

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General guidance for South African owner-managed companies. Individual circumstances and exemptions may change the result. Sources: SARS employees' tax and dividends tax guidance;