



Annual Employee Bonuses / Domestic Workers and Day Care Employees.

The Social Security Fund wishes to inform all employers of the criteria to be used to determine employer contribution exemption on bonus payments that will be effective from 1st January 2008:

- The bonus payment shall be made once a year;
- The extent of the bonus that is eligible for exemption shall be limited to an amount that does not exceed one twelfth of each employee's basic salary received during any year on which Social Security Fund contributions have been paid;
- Where the bonus payment equates to more than R.10,000, the exemption from employer contributions shall apply to only the first R.10,000 of such payments.

Note: Employers will still be liable deduct the 2.5% employee contribution from the full bonus payment

Employers wishing to obtain further clarification concerning contribution exemptions on annual employee bonuses are requested to contact the Social Security Fund.

Employers paying contributions in respect of domestic workers are informed that a contribution of R.50 per month per registered domestic worker still applies.

Employers of Day Care Centre workers are required to pay contributions of R.100 per worker per month or 10% of the total monthly emolument paid to a worker where the employment is for a period of less than one month.

Effective 1st January 2008, employers of Day Care Center Workers will also be required to deduct from the employee emolument a social security contribution of 2.5% of the employee's total monthly emolument and remit this to the Fund together with the employer's monthly contribution.