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## **Compensation Fund: What Every Employer of Domestic Workers Needs to Know!**



***Domestic workers had previously been excluded from the Compensation for Occupational Injuries and Diseases Act 130 of 1995 (COIDA).***

***On 19 November 2020, the Constitutional Court declared section 1(xix)(v) of COIDA invalid, with immediate effect and retrospective from 27 April 1994.***

The amendment to COIDA was gazetted already on 10 March 2021, stating that domestic employees were covered under the Act.

This means that Domestic employees will now be entitled to compensation in the event that they are injured or contract diseases while on duty, and their employers must register with the Compensation Fund.

# Who qualifies as a “domestic worker” under the law?

Any person who performs domestic work in the home of their employer, including gardeners, household drivers of employer-owned motor vehicles, and those who take care of children, the elderly or frail. It is important to note that the definition does not include farm workers.

## How must the employer register the employee - when and how?

Domestic employers must be registered within seven days of the employee's first day of work. This means that all employers of domestic workers as listed above, need to register, and submit the necessary returns to the Compensation Fund in terms of section 80 of COIDA. The employer must complete the CF-1E form and provide a copy of their ID/passport or work permit, proof of their residential address, a copy of the employee's ID/passport or work permit, and a copy of the employment contract.

The completed form and additional documentation must be delivered to the Compensation Commissioner's office. Alternatively, domestic employers can register using the online platform, via email, physical mail, or by visiting your nearest Department of Labour Centre.

## What happens after the Domestic Employer has been registered?

Once the domestic employer has been registered with the Compensation Fund, the employer is responsible for submitting their *Return of Earnings (ROE) annually*. The declaration period for the ROEs is 1 March to 28/29 February of the past year. The ROE submission season is from 1 April to 31 May of the current year. The ROE is also known as the 2A Form (W.As.8).

ROEs are based on the amount that the domestic worker/employee earns per year, including any payment for overtime and bonuses. Remain compliant by submitting your ROE to avoid the penalties for late submissions. A Notice of Assessment (NoA) must be paid within 30 days to avoid interest. After the full payment has been received by the Compensation Fund, you will receive a Letter of Good Standing (LOGS).

# Consequences of failure to register domestic workers with the Compensation Fund

Should the employer fail to register their domestic workers with the Compensation Fund, they could be liable for all costs and consequences of the injuries, disease, or death of employee(s) while on duty.

Penalties and civil claims against the employer may also be filed should an injury, disease, or death of the domestic worker take place at the address of employment.

## Conclusion

Employers of domestic workers must register with the Compensation Fund timeously to avoid liability claims and/or penalties due to injuries/accidents at/within the workplace.

*SERR Synergy provides a wide range of health and safety services, including assisting employers to register with the Compensation Fund.* A team of COIDA experts is ready to assist, advise, and submit the necessary information to ensure compliance. Do not be caught off guard, be ready and be compliant, and avoid unnecessary financial implications that may negatively impact your business.

**About the Author:** Fikile Mahlangu is an experienced COID Advisor who started her journey with SERR in 2020 as a COID Admin Assistant. She strives for excellence and results, obtaining claim numbers and resolving complex scenarios presented by Workmen's Compensation, effortlessly and efficiently. She recently completed a Business Administrative Programme with SERR and is motivated to improve, empower, and develop herself through continuous learning. She is known as the COIDA Queen of SERR Synergy.

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