



Workers Compensation Assistance

COIDA Requirements

by

Celia Coetzer

Executive Member

WCA Workers Compensation Assistance

Payroll Power 2018



Workers Compensation Assistance



Client



Workers Compensation Assistance

Compensation Fund



Contents

- The Compensation Act 130 of 1993.
- Who is an “Employer” and who is an “Employee”?
- What are “Earnings”?
- Can declaring Earnings be risky?
- Penalties and Interest.
- What *must* the Employer do if an employee is injured?
- Can I submit Earnings on line?
- Summary



The Compensation Act 130 of 1993

- Ensures an Employee receives benefits in the event of an accident that results in disablement or death.
- Protects the Employer from claims by the injured Employee (if an “Accident” as defined).
- Employers must:
 - Register themselves in terms of the Act;
 - Declare salaries and wages (also known as earnings);
 - Pay annual assessments.



Who are “Employers” and “Employees”?

- Employer = any person, including the State who employs an employee in connection with his business;
- Employee = Anyone under a contract:
 - Of service, apprenticeship or learnership with an employer;
 - Express or implied, oral or in writing;
 - For whom remuneration is
 - In cash or in kind;
 - Calculated by time or work done; and includes
 - Casuals, working directors, members of a BC (on a fixed salary)



What are “Earnings”?

- All payments that are *regular*, including (before any deductions whether in money, or in kind).
 - Overtime, bonuses (incentive and annual) & commission;
 - Cash value of food and quarters;
 - Company car, free or subsidised accommodation;
 - Travel and other allowances paid regularly;
- All items that forms part of a package of benefits;
- Fixed salaries of working directors.



Earnings Exclude:

- Overtime worked occasionally;
- Reimbursive payments;
- Payment for non-recurring tasks (not part of normal duties);
- Employer contributions to Medical Aid & Pension;
- Subsistence and traveling costs;
- Occasional allowances;
- Profit share;
- Ex Gratia payments.



Can declaring Earnings be risky?

■ Over-declaring:

- Assessments too high (waste of money - hard to reclaim);
- Costs and time to make corrections;

■ Under-declaring:

- Penalties if caught;
- Loadings to assessments;

■ Consequence of “discrepancy”:

- Requires determined, in-person follow-up to make corrections;
- Letter of good standing will NOT be issued;



Penalties and interest

- 10% penalty applies automatically when:
 - Returns of earnings are submitted late (after 31 March);
 - Annual assessments are paid after 30 days of invoice;
- Late ROE + Late payment = 20% penalty!
- Interest accrues for:
 - All late payments;
 - All payment plans;
 - Unpaid penalties.



What must the Employer do after an IOD?

- Besides the first-aid obligations, the employer **must**:
 - Report an accident to the CF and convey an employee;
 - Pay TTD (IOD leave pay) during first three months;
- The Employer **may** recover TTD paid;
 - Up to 75% of earnings;
 - Only for period booked off by the treating doctor;
 - Provided the forms are filled out to exact specifications!



Can I submit Earnings on Line?

- Earnings must be submitted on line to the CF;
- Be aware:
 - Of the caveats regarding over and under-reporting;
 - That anyone can submit anyone's return of earnings;
- Your bookkeeper / auditor / IOD specialist can submit;
- Make sure you get the COIDA invoice; and
- Make sure you pay it!



Summary

- Every employee employed in connection with your business is an “Employee”;
- “Earnings”
 - Include regular income; but
 - Exclude variable income;
- Avoid penalties (up to 20%) and interest;
- You must pay and can recover 3 months’ TTD;
- Beware of discrepancies (or misclassifications);



Workers Compensation Assistance

Thank you for participating in our presentation

© Slide show and WAM System developed by WCA Workers Compensation Assistance cc
PO Box 1567
Brooklyn Square
0075

Tel 0861 WCA IOD (0861 922 463)
Email main@wcawca.co.za
www.wcawca.co.za

All rights reserved

This presentation and its contents are the intellectual property WCA Workers Compensation Assistance and may not be disseminated to any party other than the person to whom it was presented. Reproduction of any part of this presentation in any form whatsoever is prohibited.