

[The issues revisited – Barriers to employee benefit success](#)

## Informal workers

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### FROM EMPLOYEE BENEFITS SYSTEM

Previously, we grouped temporary and informal workers together. The term informal workers is somewhat difficult to define, but includes:

- > Informally employed domestic workers and gardeners
- > Some types of construction or personal services workers
- > Hawkers and traders

We identified a flexible fund sponsored by the government, the financial services industry or labour brokers as a potential solution. The fund sponsor would have to deal with three key challenges:

- > Cost, which must be rock bottom
- > Administration, which must address the demands of a transient population of no particular fixed address or employment
- > Intermittent employment of indeterminate length

### New insight

The government's latest proposal to offer non-retirement, tax-free savings accounts may offer one part of the solution. It requires solutions to be simple and cost-effective, fully transferrable between providers, and to pose no penalties for noncontinuous contributions. But as most informal workers are also low-income earners, is a tax incentive attractive enough to stimulate savings in this segment?

# Temporary and Informal Workers

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