

South Africa

Exchange rate: US\$1.00 = 11.57 rand.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1928 (old age), 1936 (blindness), and 1946 (disability).

Current laws: 2001 (unemployment insurance) and 2004 (social assistance).

Type of program: Social insurance (survivors) and social assistance (old age and disability) system.

Coverage

Social insurance: Employees working for more than 24 hours a month, including household and seasonal workers.

Exclusions: Civil servants, trainees, foreigners working under a contract and persons receiving work injury and occupational disease benefit from the compensation fund.

Social assistance: Persons with limited means who are citizens of South Africa, permanent residents, or refugees residing in South Africa.

Exclusions: Persons confined to or cared for in state facilities.

Special system for public-sector employees.

Source of Funds

Insured person

Social insurance: See source of funds under Unemployment.

Social assistance: None.

Self-employed person

Social insurance: See source of funds under Unemployment.

Social assistance: None.

Employer

Social insurance: See source of funds under Unemployment.

Social assistance: None.

Government

Social insurance: See source of funds under Unemployment.

Social assistance: The total cost.

Qualifying Conditions

Old-age grant (social assistance, means tested):

Age 60.

Means test: Annual income must be less than 64,680 rand for a single person or 129,360 rand for a couple, and assets must be no more than 930,600 rand for a single person or 1,861,200 rand for a couple.

Constant-attendance allowance (Grant-in-aid): Paid if the person receiving the old-age grant requires the constant attendance of others to perform daily functions.

Beneficiaries may only receive one social grant at a time.

War veteran's grant (social assistance, means tested):

Age 60 or disabled. Must be a veteran of World War II or the Korean War.

Means test: Annual income must be less than 64,680 rand for a single person or 129,360 rand for a couple, and assets must be no more than 930,600 rand for a single person or 1,861,200 rand for a couple.

Constant-attendance allowance: Paid if the person receiving the war veteran grant requires the constant attendance of others to perform daily functions.

Beneficiaries may only receive one social grant at a time.

Disability grant (social assistance, means tested):

Aged 18 to 59 and assessed as temporarily disabled for more than six months.

A disability is considered permanent if it lasts for more than 12 months.

The disability must be confirmed by a medical assessment.

Means test: Annual income must be less than 64,680 rand for a single person or 129,360 rand for a couple, and assets must be no more than 930,600 rand for a single person or 1,861,200 rand for a couple.

Constant-attendance allowance (Grant-in-Aid): Paid if the person receiving the disability grant requires the constant attendance of others to perform daily functions.

Beneficiaries may only receive one social grant at a time.

Survivor benefit (social insurance): Paid to an eligible surviving spouse or partner who applies for the benefit within six months of the insured's death. If there is no eligible surviving spouse or partner, or if the spouse or partner does not apply for the benefit within the required timeframe, the benefit is paid to a dependent child younger than age 21 (age 25 if a student).

The deceased must have been contributing to the Unemployment Insurance Fund and have accumulated credits at the time of death. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before the insured applied for the benefit. The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits.

A benefit is not paid if the deceased received unemployment or work injury benefits or was suspended from claiming because of fraud.

Old-Age Benefits

Old-age pension (social assistance, means tested): Up to 1,410 rand a month is paid for a pensioner aged 60 to 74; 1,430 rand if aged 75 or older. The pension is reduced to 25% of the maximum amount if the pensioner resides in a care facility under contract with the state for more than three months.

Constant-attendance allowance: 330 rand a month is paid.

War veteran's grant (social assistance, means tested): Up to 1,430 rand a month is paid.

Constant-attendance allowance: 330 rand a month is paid.

Permanent Disability Benefits

Disability grant (social assistance, means tested): Up to 1,410 rand a month is paid.

Constant-attendance allowance: 330 rand a month is paid.

Survivor Benefits

Survivor benefits (social insurance): 38% to 60% of the deceased's daily earnings, depending on the level of earnings, is paid for up to 238 days, minus any credits used for sickness, adoption, and unemployment. Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

Daily earnings are calculated by multiplying the deceased's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the deceased's average earnings during the six months before the date of death.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Administrative Organization

South African Social Security Agency (<http://www.sassa.gov.za>) administers the program.

Sickness and Maternity

Regulatory Framework

First laws: 1966 (unemployment) and 1995 (labour relations).

Current laws: 1997 (conditions of employment), 2001 (unemployment insurance), 2002 (contributions), and 2003 (health), implemented in 2004.

Type of program: Social insurance (cash sickness and maternity benefits), employer-liability (cash sickness

benefits), and universal and social assistance (medical benefits) system.

Coverage

Cash sickness, maternity, and adoption benefits (social insurance): Employees working for more than 24 hours a month, including household and seasonal workers.

Exclusions: Civil servants, trainees, foreigners working under a contract and persons receiving work injury, or occupational disease benefit from the compensation fund.

Cash sickness and family responsibility leave benefits (employer liability): Employees working more than 24 hours a month for an employer, including civil servants, trainees, household and seasonal workers, and foreigners working under a contract.

Exclusions: Members of the National Defence Force, the National Intelligence Agency and the South African Secret Service and unpaid volunteers.

Medical benefits: South African citizens.

Source of Funds

Insured person

Social insurance: See source of funds under Unemployment.

Employer liability: None.

Universal and social assistance: None.

Self-employed person

Social insurance: See source of funds under Unemployment.

Employer liability: None.

Universal and social assistance: None.

Employer

Social insurance: See source of funds under Unemployment.

Employer liability: The total cost.

Universal and social assistance: None.

Government

Social insurance: See source of funds under Unemployment.

Employer liability: None.

Universal and social assistance: Most of the cost of medical benefits (funded from general taxation).

Qualifying Conditions

Cash sickness benefits (social insurance): Must be unable to work for at least 14 days and must be receiving less than normal wages. Must be contributing to the

Unemployment Insurance Fund and have accumulated credits before the illness occurs. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before applying for the benefit. The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits. Cash sickness benefits (employer liability): Must have worked for the same employer for at least 26 days.

Cash family responsibility leave (employer liability):

Paid for the birth or sickness of a child or the death of a spouse, partner, parent or adoptive parent, grandparent, child, adopted child, grandchild or sibling. The insured must have been employed by the same employer for at least four months.

Absence from work must be a result of the illness for which the worker is receiving medical treatment.

Cash maternity benefits (social insurance): Must be contributing to the Unemployment Insurance Fund and have accumulated credits before the expected date of childbirth. The insured earns one credit (one day of paid leave) for every six completed days of employment.

Must apply for the benefit within six months of the child's birth.

Adoption benefit (social insurance): The adopted child must be younger than age 2. The insured must leave work to look after that child and must be receiving less than normal wages. The insured must be contributing to the Unemployment Insurance Fund and have outstanding credits before the expected date of adoption. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before applying for the benefit. The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits.

The application must be made within six months after the date of the order for adoption.

Medical benefits (universal (primary care)): There is no minimum qualifying period.

Medical benefits (social assistance (hospitalization)): Eligible persons include unemployment and social assistance beneficiaries (including old-age grant, child support grant, war veteran's grant, care dependency grant, disability grant, foster child grant and social relief of distress) and persons with mental disorders discharged from hospitals for the mentally ill and still in need of care.

Annual income for an individual must be lower than 72,000 rand; for households, lower than 100,000 rand.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 100% of the insured's daily earnings is paid. In the first six months of employment with an employer, the employee accrues

one day of paid sick leave for each 26 days of paid work. Thereafter, during one leave cycle (36 months with the same employer), an employee can accrue up to 30 days of paid leave.

Family responsibility leave (employer liability): 100% of the insured's daily earnings is paid for three days each year.

Sickness benefit (social insurance): 38% to 60% of the insured's daily earnings, depending on the insured's level of earnings, is paid from the 14th day of leave, for up to 238 days, less any credits used for adoption, unemployment, and survivor benefits. Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the insured's average earnings during the previous six months.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Maternity benefit (social insurance): 38% to 60% of the insured's daily earnings, depending on the insured's level of earnings, is paid for a total of 17.32 weeks (six weeks in the event of a miscarriage during the third trimester or a still-born child). Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

The benefit may be paid from four weeks before the expected date of childbirth or earlier if advised by a health professional. Workers may not go back to work within six weeks after the birth unless cleared by a health professional.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the insured's average earnings during the previous six months.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Adoption benefit (social insurance): 38% to 60% of insured's earnings, depending on the insured's level of earnings, is paid for up to 238 days, less any credits used for adoption, unemployment, and survivor benefits. Lower-income insured persons receive a higher percentage of their earnings and higher-income receive a lower percentage.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be based on the insured's average earnings during the previous six months.

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The application must be made within six months after the date of the order for adoption.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Workers' Medical Benefits

Medical benefits (universal (primary care)): The Government pays directly for medical services provided by primary health care facilities.

Medical benefits (social assistance (hospitalization)):

All social assistance and unemployment beneficiaries receive fully subsidized medical care at provincial hospitals. Benefits include hospitalization and medicine.

Partial subsidies for persons with an annual income lower than 72,000 rand and households' income lower than 100,000 rand.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Department of Labour (<http://www.labour.gov.za>) provides general supervision.

Unemployment Insurance Fund, managed by a bipartite board, local unemployment benefit committees, and claims officers, administers cash benefits.

Department of Health (<http://www.doh.gov.za>) administers provincial hospitals.

Work Injury

Regulatory Framework

First law: 1914.

Current law: 1993 (work injury and occupational disease).

Type of program: Employer-liability system through a public carrier (compensation fund).

Coverage

Employed persons, including contract workers, casual employees, and certain military personnel.

Exclusions: Household workers, self-employed persons, volunteers, and certain military personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost (pays insurance premiums which vary, depending on the industry and reported accident rate).

Government: None; contributes as an employer for government employees.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. The insured must report the accident within 12 months.

Occupational disease benefits: Paid if the insured is diagnosed with an occupational disease as defined by law.

Temporary Disability Benefits

If the insured is assessed with a total (100%) disability, 75% of the insured's earnings is paid for up to 12 months; may be extended for up to 24 months (longer in special cases) after further assessment of the disability. The benefit is paid after a three-day waiting period.

The minimum benefit is 2,430.75 rand a month.

The maximum benefit is 4,134.76 rand a week or 17,366.25 rand a month.

Partial disability: A percentage of the insured's earnings as determined by the Compensation Commissioner's Office is paid for up to 12 months; may be extended for up to 24 months after further assessment of the disability.

The partial disability benefit may be paid periodically or as a lump sum of up to 107,007 rand.

Permanent Disability Benefits

Permanent disability pension: If the insured is assessed with a total (100%) disability, up to 75% of the insured's earnings is paid.

The maximum earnings used to calculate benefits are 4,134.76 rand a week or 17,366.25 rand a month.

The minimum monthly benefit (based on a total disability) is 3,241 rand.

If the insured's monthly earnings are less than 3,241 rand, the benefit is calculated using monthly earnings of 3,241 rand.

Partial disability: If the assessed degree of disability is 31% to 99%, a percentage of the full pension is paid according to the assessed degree of disability.

For an assessed degree of disability of up to 30%, a lump sum of 15 times the insured's monthly earnings is paid.

If the insured's monthly earnings are less than 3,241 rand, the benefit is calculated using monthly earnings of 3,241 rand.

The maximum earnings used to calculate benefits are 17,366.25 rand a month.

The minimum lump-sum partial disability benefit (based on a 30% disability) is 48,615 rand.

The maximum lump-sum partial disability benefit (based on a 30% disability) is 194,535 rand.

Workers' Medical Benefits

Benefits include medical, surgical, and hospital care, rehabilitation, and appliances. Benefits are provided for up to two years; may be extended in special cases.

The compensation fund reimburses the cost of transporting an injured employee to a hospital, a doctor's office, or to his or her residence.

Survivor Benefits

Spouse's pension: 40% of the permanent total disability pension the deceased received or was entitled to receive is paid to a widow(er) with a permanent disability. A lump sum of two months of the permanent total disability pension the deceased received or was entitled to receive is also paid.

The pension continues on remarriage.

The maximum survivor pension is 6,946.50 rand a month.

Orphan's pension: 20% of the permanent total disability pension the deceased received or was entitled to receive is paid for each unmarried orphan younger than age 18 (extended for students; no age limit if disabled).

The maximum orphan's pension is 3,473 rand a month.

All survivor benefits combined must not exceed the permanent total disability pension the deceased received or was entitled to receive.

Funeral grant: Up to 13,050 rand is paid.

Administrative Organization

Department of Labour (<http://www.labour.gov.za>) provides general supervision.

Compensation Commissioner administers the program, including claims decisions and the management of funds from which benefits are paid.

Employers must normally insure against liability with a public compensation fund but in certain instances may insure with an employer's mutual association licensed by the Minister of Labour.

Unemployment

Regulatory Framework

First law: 1966 (unemployment).

Current laws: 2001 (unemployment insurance) and 2002 (contributions).

Type of program: Social insurance system.

Coverage

All employees working for more than 24 hours a month, including household and seasonal workers.

Exclusions: Trainees, foreigners working on a contract and persons receiving work injury and occupational disease benefit from the compensation fund.

Special system for civil servants.

Source of Funds

Insured person: 1% of covered earnings.

The maximum earnings used to calculate contributions are 14,872 rand a month or 178,464 rand a year.

The insured person's contributions also finance survivors, cash sickness, adoption, and maternity benefits.

Self-employed person: Not applicable.

Employer: 1% of the insured's covered earnings.

The maximum earnings used to calculate contributions are 14,872 rand a month or 178,464 rand a year.

The employer's contributions also finance survivors, cash sickness, adoption, and maternity benefits.

Government: None.

Qualifying Conditions

Unemployment benefit: Must be contributing to the Unemployment Insurance Fund and have accumulated credits before becoming unemployed. One credit (one day of paid leave) is earned for every six completed days of employment. The insured can accumulate up to 238 days of paid leave in the four years before applying for the benefit. The accumulated credits may be used for sickness, adoption, unemployment, and survivor benefits.

Must be capable of and available for work and must register with and report to the public employment exchange, unless unemployment is the result of illness or pregnancy. Unemployment must be the result of termination of the insured's contract, the ending of a fixed term contract, the dismissal of the insured (except if disciplinary), insolvency of the employer or the death of the employer for a household worker. Must be unable to find work within 14 days of becoming unemployed. Must apply for benefits within six months of first becoming unemployed; the Commissioner may accept an application if the 6-month time limit has expired, if just cause is shown.

Unemployment Benefits

Unemployment benefit: 38% to 60% of insured's daily earnings, depending on the insured's level of earnings, is paid from the 14th day of unemployment for up to 238 days minus any credits used for sickness, adoption, and survivor benefits. Lower-income insured persons receive a higher percentage of their earnings, and higher-income persons receive a lower percentage.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12, and then dividing by 365. If the earnings fluctuate significantly, the calculation must be

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based on the insured's average earnings during the previous six months.

The maximum monthly earnings used to calculate benefits are 14,872 rand.

The maximum daily benefit is 185.80 rand.

Administrative Organization

Department of Labour (<http://www.labour.gov.za>) provides general supervision.

Unemployment Insurance Fund, managed by a bipartite board, local unemployment benefit committees, and claims officers, administers the program.

Family Allowances

Regulatory Framework

Current law: 2004 (social assistance).

Type of program: Social assistance system.

Coverage

Low-income persons caring for children younger than age 18.

Exclusions: Persons confined to or cared for in state facilities.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Foster child grant: Paid to a foster parent who is a citizen, permanent resident, or refugee residing in South Africa at the time of the application. There must be a court order indicating the foster care status of the child. The child must be aged 18 or younger (age 21 if a student) and remain in the care of the foster parent.

Beneficiaries may only receive one social grant at a time.

Child support grant (means tested): Paid to the primary caregiver of a child aged 18 or younger. The primary

caregiver must be aged 16 or older and a citizen, permanent resident, or refugee residing in South Africa at the time of the application. The grant is paid for up to six children if they are not biologically related; otherwise, there is no limit.

Means test: Annual income must be less than 39,600 rand for a single person; 79,200 rand for a couple.

Beneficiaries may only receive one social grant at a time.

Care dependency grant (means tested): Paid to a South African citizen, permanent resident or a refugee who is the parent, foster parent, or primary caregiver of a child aged 18 or younger who requires permanent care or support services as the result of a severe mental or physical disability. The child must be cared for at home and the disability confirmed by a medical assessment. The applicant and the child must reside in South Africa at the time of the application.

Means test: Annual income must be less than 169,200 rand for a single person; 338,400 rand for a couple.

Beneficiaries may only receive one social grant at a time; a foster parent may receive more than one social grant at a time.

Social relief of distress (means tested): Temporary assistance is paid to certain vulnerable individuals or households.

Victims of a disaster may receive more than one social grant at a time.

Family Allowance Benefits

Foster child grant: 860 rand a month is paid.

Child support grant (means tested): 330 rand a month is paid for each eligible child.

Care dependency grant (means tested): 1,410 rand a month is paid.

Social relief of distress: Paid monthly for up to three months; may be extended for three months.

Administrative Organization

South African Social Security Agency (<http://www.sassa.gov.za>) administers the program.