

## South Africa

Exchange rate: U.S.\$1.00 equals 8.55 rand.

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current law:** 1992 (social assistance), with amendments.

**Type of program:** Social assistance system.

#### Coverage

Citizens of limited means.

Special system for public-sector employees.

#### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

#### Qualifying Conditions

**Old-age pension (means-tested):** Age 65 (men) or age 60 (women) and a resident citizen at the time of the application.

**War veteran grant (means-tested):** Age 60 or disabled and a resident citizen at the time of the application. Eligibility is restricted to veterans of the Second World War and the Korean War.

**Disability grant (means-tested):** If incapable of providing adequate self-support for more than 6 months, payable from age 18 to age 64 (men) or 59 (women). If suffering from a terminal illness, the grant is payable from age 35. Must be a resident citizen at the time of the application.

#### Old-Age Benefits

**Old-age pension (means-tested):** Up to 640 rand a month (married couples may receive double the amount) plus 130 rand a month for frail and chronically ill pensioners requiring full-time care.

**War veteran grant (means-tested):** Up to 658 rand a month plus 130 rand a month for frail and chronically ill veterans requiring full-time care.

#### Permanent Disability Benefits

**Disability grant (means-tested):** Up to 640 rand a month (married couples may receive double the amount) plus 130 rand a month for those requiring full-time care.

### Administrative Organization

National and provincial offices of the Department of Social Development administer the program.

### Sickness and Maternity

#### Regulatory Framework

**Type of program:** Social assistance system. Medical benefits only.

Cash sickness and maternity benefits are payable under Unemployment to eligible insured workers.

#### Coverage

**Sickness and maternity benefits:** All employees. (Domestic workers and seasonal workers are covered from April 1, 2003.)

Exclusions: Government employees and employees who work less than 24 hours a month; foreigners who enter the country for the purpose of fulfilling an employment contract and who are required by law to leave the country upon the termination of the contract.

**Medical benefits:** Old-age pensioners and disability pensioners.

#### Source of Funds

**Cash sickness and maternity benefits:** See source of funds for Unemployment, below.

**Medical benefits:** See source of funds for Old Age, Disability, and Survivors, above.

#### Qualifying Conditions

**Cash sickness benefit:** Thirteen weeks of contributions during the 52 weeks preceding the onset of illness or unemployed or drawing no more than 1/3 of the regular wage.

**Cash maternity benefit:** Thirteen weeks of contributions during the 52 weeks preceding the expected date of childbirth (if adopting a child, 18 weeks of contributions during the 52 weeks preceding the date of adoption) or unemployed or earning no more than 1/3 of the regular wage.

#### Sickness and Maternity Benefits

**Sickness benefit:** 45% of weekly earnings. The benefit is payable for 26 weeks after a waiting period of 4 to 6 weeks.

**Maternity benefit:** 45% of weekly earnings. The benefit is payable from 18 weeks before and 8 weeks after the expected date of childbirth.

#### Workers' Medical Benefits

All pensioners are entitled to subsidized medical care at provincial hospitals. Benefits include hospitalization and medication.

## Administrative Organization

Department of Labor provides general supervision.

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

## Work Injury

### Regulatory Framework

**First law:** 1914.

**Current law:** 1993.

**Type of program:** Compulsory insurance with a public carrier.

### Coverage

Employed persons, including some contract workers and military personnel.

Exclusions: Domestic workers in private households and some contract workers and military personnel.

### Source of Funds

**Insured person:** None.

**Employer:** Total cost met through the payment of insurance premiums. The cost of premiums varies with the assessed degree of risk.

**Government:** None. (Contributions for government employees.)

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for payments, but more than 3 days of incapacity for work is required to qualify for a temporary disability benefit.

**Occupational disease benefits:** For 28 listed diseases (plus some unlisted diseases), the date of diagnosis is the date of onset of the disease.

### Temporary Disability Benefits

75% of earnings up to a monthly maximum of 9,321 rand is payable for up to 12 months if totally disabled. The payment of benefit may be extended up to 24 months (longer in special cases) after further evaluation of the disability.

Partial disability: A proportion of earnings as determined by the Compensation Commissioner's Office is payable for up to 12 months (may be extended up to 24 months after further evaluation of the disability).

### Permanent Disability Benefits

**Permanent disability pension:** 75% of earnings up to a monthly maximum of 9,321 rand, if totally disabled.

The minimum monthly benefit is 1,019.25 rand.

Partial disability: A percentage of the full benefit proportionate to the assessed degree of disability. For an assessed degree of disability greater than 30%, the benefit is paid as a monthly pension.

For an assessed degree of disability of 30% or less, the benefit is paid as a lump sum of 15 times monthly earnings.

The minimum lump sum is 20,385 rand.

The maximum lump sum is 104,445 rand.

### Workers' Medical Benefits

Benefits include medical, surgical, and hospital care and appliances. Benefits are normally provided for a maximum of 2 years but may be extended in special cases.

### Survivor Benefits

**Survivor pension:** 40% of the insured's pension (based on the permanent total disability pension equivalent) plus a lump sum of 18,642 rand. The pension is payable to a widow or to a disabled widower.

**Orphan's benefit:** 20% of the insured's pension (based on the permanent total disability pension equivalent) for each orphan under age 18 (no age limit if disabled).

The maximum survivor pension is 100% of the insured's pension.

**Funeral grant:** The lesser of 7,395 rand or the actual cost of the funeral, at the Commissioner's discretion.

### Administrative Organization

Department of Labor, Human Resources, provides general supervision.

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

Employers must normally insure the assessed liability with a public compensation fund, but in certain instances may insure with an employers' mutual association licensed by the Minister of Labor.

Government and some local authorities are individually liable.

## Unemployment

### Regulatory Framework

**First law:** 1937.

**Current laws:** 1966, with amendments; 2001, implemented in 2002; and 2002.

**Type of program:** Compulsory insurance system.

### Coverage

All employees except government employees. (Domestic workers and seasonal workers are covered from April 1, 2003.)

Exclusions: Government employees and employees who work less than 24 hours a month. Foreigners who enter the country for the purpose of fulfilling an employment contract and who are required by law to leave the country upon the termination of the contract.

### Source of Funds

**Insured person:** 1% of earnings.

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

**Government:** 25% of total employee and employer contributions up to a maximum of 7 million rand a year.

Unemployment contributions also finance cash sickness and maternity benefits.

### Qualifying Conditions

**Unemployment benefit:** Entitlement to benefit increases at a rate of 1 day's benefit for every 6 completed days of employment, up to a maximum of 238 days in the 4-year period immediately preceding the date of application for benefit. The insured must have 13 weeks of contributions during the last 52 weeks and be capable of, and available for, work. The insured must register with, and report to, the public employment exchange, unless unemployment is caused by illness or pregnancy. Unemployment is not due to the refusal of suitable work and training.

**Survivor benefit:** The surviving spouse or a life-partner of the insured person must apply for the benefit within 6 months of the insured's death. In cases of no surviving spouse or life-partner, the benefit is paid to a dependent child. The child must be less than age 21; age 25 if a student and totally or largely dependent on the insured.

### Unemployment Benefits

The benefit is payable on a sliding scale of between 30.78% and 58.64% of previous earnings depending on the period of service and level of remuneration.

**Survivor benefit:** The benefit is payable on a sliding scale of between 30.78% and 58.64% of previous earnings depending on the period of service and level of remuneration. The benefit is payable for up to 26 weeks.

### Administrative Organization

Department of Labor provides general supervision.

Managed through its Board and regional Business Unit Managers, the Unemployment Insurance Fund administers the program.

## Family Allowances

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### Regulatory Framework

**Current law:** 1992 (social assistance), with 1997 amendment.

**Type of program:** Social assistance.

### Coverage

Low-income persons caring for children under age 18.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Foster child grant (means-tested):** A court order indicating the foster care status of the child.

**Child support grant (means-tested):** For the primary care giver of a child or children aged 1 to 6. (The age limit is to be raised gradually to age 14 by 2005.)

**Care dependency grant (means-tested):** For a parent or foster parent of a child aged 1 to 18 who requires permanent care because of a severe mental or physical disability. The child must be cared for at home.

### Family Allowance Benefits

**Foster child grant (means-tested):** Up to 470 rand a month.

**Child support grant (means-tested):** Up to 140 rand a month for each child for up to six children.

**Care dependency grant (means-tested):** Up to 640 rand a month.

### Administrative Organization

National and provincial offices of the Department of Social Development administer the program.