

## South Africa

Exchange rate: US\$1.00 equals 6.90 rand.

### *Old Age, Disability, and Survivors*

#### *Regulatory Framework*

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

**Current law:** 2004 (social assistance).

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

#### *Coverage*

Citizens of South Africa with limited means.

Exclusions: Persons maintained or cared for in state institutions.

Special system for public-sector employees.

#### *Source of Funds*

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

The government contributions also finance medical benefits under Sickness and Maternity, below.

#### *Qualifying Conditions*

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

Grant-in-aid: Paid to persons receiving the old-age pension who require the full-time attendance of another person as the result of a mental or physical condition.

Citizens of South Africa are eligible to receive only one benefit at a time.

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

Grant-in-aid: Paid to persons receiving a war veteran grant who require the full-time attendance of another person as the result of a mental or physical condition.

Citizens of South Africa are eligible to receive only one benefit at a time.

**Disability grant (means-tested):** Paid to citizens assessed as incapable of providing adequate self-support for more than 6 months. The temporary grant is paid if aged 18 to 64 (men) or aged 18 to 59 (women); paid from age 35 (men and women) for a citizen with a terminal illness who resides in South Africa at the time of the application. The disability must be confirmed by a medical assessment report.

A disability grant is considered permanent if the citizen is assessed as incapable of providing adequate self-support for more than 12 months.

Grant-in-aid: Paid to citizens receiving a disability grant who require the full-time attendance of another person as the result of a mental or physical condition.

Citizens of South Africa are eligible to receive only one benefit at a time.

**Survivor benefits:** Benefits are provided under Unemployment, below.

#### *Old-Age Benefits*

**Old-age pension (means-tested):** Up to 870 rand a month is paid for a single pensioner; married couples may receive double the amount. The pension is reduced to 25% of the full amount for pensioners who are resident for more than 3 months in a private care institution.

Grant-in-aid: 180 rand a month.

**War veteran grant (means-tested):** Up to 838 rand a month.

Grant-in-aid: 180 rand a month.

#### *Permanent Disability Benefits*

**Disability grant (means-tested):** Up to 870 rand a month is paid for a single pensioner; married couples may receive double the amount.

Grant-in-aid: 180 rand a month.

#### *Survivor Benefits*

Benefits are provided under Unemployment, below.

#### *Administrative Organization*

National and provincial offices of the Department of Social Development (<http://www.welfare.gov.za>) administer the program.

#### *Sickness and Maternity*

#### *Regulatory Framework*

**Current laws:** 2001 (unemployment insurance), implemented in 2002; and 2003 (health), implemented in 2004.

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

## Coverage

**Sickness and maternity benefits:** Cash sickness and maternity benefits are paid under the 2001 unemployment insurance legislation to eligible insured workers working more than 24 hours a month, the unemployed, or workers with earnings reduced to no more than 1/3 of the regular wage.

Exclusions: Government employees and employees who work fewer than 24 hours a month; foreigners who enter the country to fulfill an employment contract and who are required by law to leave the country when the contract ends; and persons receiving a monthly state pension, any benefit from the work injury and occupational disease compensation fund, or benefits from any unemployment fund or scheme.

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

## Source of Funds

### Cash sickness and maternity benefits

*Insured person:* See source of funds for Unemployment, below.

*Self-employed person:* See source of funds for Unemployment, below.

*Employer:* See source of funds for Unemployment, below.

*Government:* See source of funds for Unemployment, below.

### Medical benefits

*Insured person:* See source of funds for Old Age, Disability, and Survivors, above.

*Self-employed person:* See source of funds for Old Age, Disability, and Survivors, above.

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

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

## Qualifying Conditions

**Cash sickness benefits:** The insured must have at least 13 weeks of contributions in the 52 weeks before the incapacity began.

**Cash maternity benefits:** The insured must have at least 13 weeks of contributions in the 52 weeks before the expected date of childbirth (if adopting a child, 18 weeks of contributions in the 52 weeks before the date of adoption).

## Sickness and Maternity Benefits

**Sickness benefit:** The benefit is equal to 45% of the insured's weekly earnings and is paid for up to 26 weeks after a waiting period of 4 to 6 weeks.

**Maternity benefit:** The benefit is equal to 45% of the insured's weekly earnings and is paid for a total of 17 weeks (6 weeks in the event of a miscarriage or a stillborn child). The benefit is payable from 18 weeks before and up to 8 weeks after the expected date of childbirth.

## Workers' Medical Benefits

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

## Dependents' Medical Benefits

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

## Administrative Organization

Department of Labour (<http://www.labour.gov.za>) 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 (occupational injuries and diseases), with 1997 amendment.

**Type of program:** Employer-liability system, involving 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.

**Self-employed person:** Not applicable.

**Employer:** The total cost is met through the payment of insurance premiums. The cost of premium varies, depending on the reported accident rate.

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

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

**Occupational disease benefits:** Paid if the insured is diagnosed with an occupational disease. There are 28 listed diseases (plus some unlisted diseases). The date of diagnosis is the date of onset of the disease.

### **Temporary Disability Benefits**

If the insured is assessed as totally disabled, 75% of the insured's earnings is paid for up to 12 months; may be extended up to 24 months (longer in special cases) after a further assessment of the disability. The benefit is paid after a 3-day waiting period.

The maximum benefit is 2,418.75 rand a week or 10,481.25 rand a month.

The maximum earnings for benefit calculation purposes are 3,255 rand a week or 13,975 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 up to 24 months after a further assessment of the disability.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured is assessed as totally disabled, the maximum pension is equal to 75% of the insured's earnings.

The maximum monthly earnings for benefit calculation purposes are 9,321 rand.

The minimum monthly benefit is 1,146.15 rand.

Partial disability: If the assessed degree of disability is less than 100% but higher than 30%, a percentage of the full pension is paid according to the assessed degree of disability.

For an assessed degree of disability of 30% or less, a lump sum is paid equal to 15 times the employee's monthly earnings, up to a maximum of 7,830.00 rand. If the employee's monthly earnings are less than 1,528.20 rand, the minimum benefit is calculated on the basis of monthly earnings of 1,528.20 rand.

The minimum lump sum is 22,923 rand.

The maximum lump sum is 117,450 rand.

### **Workers' Medical Benefits**

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

The cost of transporting an injured employee to a hospital, a doctor's surgery, or to his or her place of residence is refunded from the compensation fund.

### **Survivor Benefits**

**Survivor pension:** The pension is equal to 40% of the deceased's permanent total disability pension, plus a lump sum of 18,642 rand. The pension is paid to a widow or to

a disabled widower for life. The pension does not cease on remarriage.

**Orphan's pension:** 20% of the deceased's permanent total disability pension is paid for each unmarried orphan younger than age 18; no age limit if disabled.

All survivor benefits combined must not exceed the deceased's permanent total disability pension.

**Funeral grant:** 8,316 rand or the actual cost of the funeral is paid (whichever is lower), at the Compensation Commissioner's discretion.

### **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 employers' mutual association licensed by the Minister of Labour.

Government and some local authorities are individually liable.

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## **Unemployment**

### **Regulatory Framework**

**First law:** 1937.

**Current laws:** 1966 (unemployment), implemented in 1967, with amendments; 2001 (unemployment insurance); and 2002 (contributions).

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

### **Coverage**

All employees working for more than 24 hours a month, including domestic and seasonal workers and employees in national and provincial governments.

Exclusions: Government employees and employees who work fewer than 24 hours a month; foreigners who enter the country to fulfill an employment contract and who are required by law to leave the country when the contract ends; and persons receiving a monthly state pension, any benefits from the work injury and occupational disease compensation fund, or benefits from any unemployment fund or scheme.

### **Source of Funds**

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

The maximum annual earnings for contribution purposes are 106,032 rand.

The insured person's contributions also finance cash sickness and maternity benefits under Sickness and Maternity, above.

**Self-employed person:** Not applicable.

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

The maximum annual earnings for contribution purposes are 106,032 rand.

The employer's contributions also finance cash sickness and maternity benefits under Sickness and Maternity, above.

**Government:** 25% of total employee and employer contributions, up to an annual maximum of 7 million rand.

The maximum annual earnings for contribution purposes are 106,032 rand.

Government contributions also finance cash sickness and maternity benefits under Sickness and Maternity, above.

### Qualifying Conditions

**Unemployment benefit:** The insured's 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 before the date of application for the 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 the result of illness or pregnancy. Unemployment must not be the result of refusing suitable work or training. Unemployment benefit is paid after 14 days of unemployment.

**Survivor benefit:** The surviving spouse or a life-partner of the deceased must apply for the benefit within 6 months after the insured's death. In the absence of a surviving spouse or life-partner, the benefit is paid to a dependent child. The child must be younger than age 21 (age 25 if a student) and have been totally or largely dependent on the deceased.

### Unemployment Benefits

**Unemployment benefit:** The benefit varies between 30.78% and 58.64% of previous earnings, depending on the insured's period of service and previous earnings.

**Survivor benefit:** The benefit varies between 30.78% and 58.64% of previous earnings, depending on the deceased's period of service and previous earnings. The benefit is paid for up to 26 weeks.

### Administrative Organization

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

Managed through its board and regional business unit managers, the Unemployment Insurance Fund 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 maintained or cared for in state institutions.

### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### Qualifying Conditions

#### Family allowances

**Foster child grant (means-tested):** Paid to a foster parent. There must be a court order indicating the foster care status of the child, and the child must be a resident citizen of South Africa at the time of the application.

**Means test:** The applicant must have annual income of less than 12,720 rand.

Citizens of South Africa are eligible to receive only one benefit at a time.

**Child support grant (means-tested):** Paid to the primary caregiver of a child or children aged 1 to 14. The child must be a resident citizen of South Africa at the time of the application, and the applicant and his or her spouse must pass the means test. The grant is paid for a maximum of six children.

**Means test:** The applicant must have annual income of less than 9,600 rand (urban areas) or 13,200 rand (rural areas).

Citizens of South Africa are eligible to receive only one benefit at a time.

**Care dependency grant (means-tested):** Paid to a parent, foster parent, guardian, or custodian of a child aged 1 to 18 who requires permanent care 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 report. The child must be a resident citizen of South Africa at the time of the application. The applicant, spouse, and child must pass a means test.

Citizens of South Africa are eligible to receive only one benefit at a time.

## South Africa

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*Social relief of distress (means-tested)*: Temporary assistance is paid to persons unable to meet their own or their family's basic living costs.

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### **Family Allowance Benefits**

#### **Family allowances**

*Foster child grant (means-tested)*: Up to 620 rand a month is paid.

*Child support grant (means-tested)*: Up to 200 rand a month is paid for each eligible child.

*Care dependency grant (means-tested)*: Up to 870 rand a month is paid.

*Social relief of distress (means-tested)*: Paid monthly or for any other period for a maximum of 3 months; may be extended by 3 months in exceptional cases.

### **Administrative Organization**

National and provincial offices of the Department of Social Development (<http://www.welfare.gov.za>) administer the program.