

## South Africa

Exchange rate: US\$1.00 = 7.07 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

Persons with limited means who are citizens of South Africa, permanent residents, or refugees with disabilities (for disability benefits only).

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

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.

#### Qualifying Conditions

**Old-age grant (means-tested):** Age 60 and a permanent resident of South Africa.

Means test: Annual income must be less than 31,296 rand for a single person; 62,592 rand for a couple and no more than 518,400 rand in assets for a single person; 1,036,800 rand for a couple.

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

Beneficiaries may only receive one benefit at a time.

**War veteran grant (means-tested):** Age 60 or disabled and a citizen or permanent resident of South Africa. Must be a war veteran of the First World War, the Second World War, or the Korean War.

Means test: Annual income must be less than 31,296 rand for a single person; 62,592 rand for a couple and

no more than 518,400 rand in assets for a single person; 1,036,800 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 benefit at a time.

**Disability grant (means-tested):** A temporary disability grant is paid to a citizen, permanent resident, or refugee aged 18 to 59 assessed as incapable of providing adequate self-support for more than six months. The disability must be confirmed by a medical assessment report.

A disability grant is considered permanent if a citizen is assessed as medically disabled for more than 12 months.

Means test: Annual income must be less than 31,296 rand for a single person; 62,592 rand for a couple and no more than 518,400 rand in assets for a single person; 1,036,800 rand for a couple.

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

Beneficiaries may only receive one benefit at a time.

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

#### Old-Age Benefits

**Old-age pension (means-tested):** Up to 1,080 rand a month is paid for a single pensioner; double the amount for married couples. The pension is reduced to 25% of the maximum amount if the pensioner resides in a care facility under contract to the state for more than three months.

Constant-attendance allowance: 250 rand a month is paid.

**War veteran grant (means-tested):** Up to 1,100 rand a month is paid.

Constant-attendance allowance: 250 rand a month is paid.

#### Permanent Disability Benefits

**Disability grant (means-tested):** Up to 1,080 rand a month is paid.

Constant-attendance allowance: 250 rand a month is paid.

#### Survivor Benefits

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

#### Administrative Organization

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

Note: Cash sickness and maternity benefits are paid under the 2001 unemployment insurance legislation.

### Coverage

**Sickness and maternity benefits:** Eligible insured workers working more than 24 hours a month, the unemployed, and workers with earnings reduced to no more than 33.3% of the regular wage.

Exclusions: Persons receiving a monthly state pension, any benefit from the work injury and occupational disease compensation fund, or any unemployment benefit.

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

### Source of Funds

#### Cash sickness and maternity benefits

*Insured person:* See source of funds under Unemployment.

*Self-employed person:* See source of funds under Unemployment.

*Employer:* See source of funds under Unemployment.

*Government:* See source of funds under Unemployment.

#### Medical benefits

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

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

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

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

### 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 45% of the insured's weekly earnings and is paid for up to 26 weeks after a waiting period of four to six weeks.

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

### Workers' Medical Benefits

All old-age pensioners and disability pensioners may receive subsidized medical care at provincial hospitals. Benefits include hospitalization and medicine.

### Dependents' Medical Benefits

All old-age pensioners and disability pensioners may receive subsidized medical care at provincial hospitals. Benefits include hospitalization and medicine.

### 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.

## Work Injury

### Regulatory Framework

**First law:** 1914.

**Current law:** 1993 (occupational injuries and diseases).

**Type of program:** Employer-liability system, involving compulsory insurance with a public carrier.

### Coverage

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

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

### Source of Funds

**Insured person:** None.

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

**Employer:** Employers pay insurance premiums. The cost of premium varies, 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 employee 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 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 a 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 a further assessment of the disability.

The maximum lump-sum benefit for partial disability is 101,007 rand.

### **Permanent Disability Benefits**

**Permanent disability pension:** If the insured is assessed with a total disability, the maximum pension is 75% of the insured's earnings.

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 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.

Partial disability: If the assessed degree of disability is between 30% and 100%, 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 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 (based on a 30% disability) is 48,615 rand.

The maximum lump sum (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 place of residence.

### **Survivor Benefits**

**Survivor pension:** The pension is 40% of the permanent total disability pension the deceased was entitled to receive. A lump sum of two months of the permanent total disability pension the deceased was entitled to receive is also paid.

The pension is paid to a widow or a widower with a permanent disability and does not cease 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 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 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 employers' mutual association licensed by the Minister of Labour.

Government and some local authorities are individually liable.

### **Unemployment**

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#### **Regulatory Framework**

**First law:** 1937.

**Current laws:** 1966 (unemployment), implemented in 1967; 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 and employees in national and provincial governments.

Exclusions: Persons receiving a monthly state pension, any benefit from the work injury and occupational disease compensation fund, or any unemployment benefit.

## Source of Funds

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

The maximum earnings used to calculate contributions are 12,478 rand a week or 149,736 rand a month.

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

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

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

The maximum earnings used to calculate contributions are 12,478 rand a week or 149,736 rand a month.

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

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

The maximum earnings used to calculate contributions are 12,478 rand a week or 149,736 rand a month.

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

## Qualifying Conditions

**Unemployment benefit:** The insured must have at least 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. The unemployment benefit is paid after 14 days of unemployment.

**Survivor benefit:** 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, the benefit is paid to a dependent child younger than age 21 (age 25 if a student).

## Unemployment Benefits

**Unemployment benefit:** From 38% to 58% of average earnings in the last six months, depending on the insured's period of service, is paid for up to eight weeks. For every six completed days of employment, the insured is eligible for one additional day of benefits, up to 238 days in the four-year period before the date of application for the benefit.

**Survivor benefit:** A lump sum of up to eight weeks of the unemployment benefit the deceased would have been entitled to receive based on his or her period of service and previous earnings.

## 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

#### Family allowances

**Foster child grant:** Paid to a foster parent who is a citizen, permanent resident, or refugee of 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 benefit at a time.

**Child support grant (means-tested):** Paid to the primary caregiver of a child or children aged 17 or younger. The primary caregiver must be aged 16 or older and a citizen or permanent resident of 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 30,000 rand for a single person; 60,000 rand for a couple.

Beneficiaries are eligible to receive only one benefit at a time.

## South Africa

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*Care dependency grant (means-tested)*: Paid to a parent, foster parent, or primary caregiver of a child aged 18 years 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 report. The applicant and the child must reside in South Africa at the time of the application.

Means test: Annual income must be less than 129,600 rand for a single person; 259,200 rand for a couple.

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

### **Family Allowance Benefits**

#### **Family allowances**

*Foster child grant*: 710 rand a month is paid.

*Child support grant (means-tested)*: 250 rand a month is paid for each eligible child.

*Care dependency grant (means-tested)*: Up to 1,080 rand a month is paid.

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

### **Administrative Organization**

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