

South Africa

Exchange rate: US\$1.00 equals 9.47 rand.

Old Age, Disability, and Survivors

Regulatory Framework

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

Current law: 2004 (social assistance), with 2008 amendment.

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, below.

Qualifying Conditions

Old-age grant (means-tested): Age 61 (men) or age 60 (women) and a citizen or permanent resident of South Africa at the time of the application. The age requirement for men will be lowered to age 60 in April 2010.

Means test: The applicant must have an annual income of less than 27,552 rand for a single person; 58,224 rand for a couple. The applicant must not have more than 484,800 rand in assets for a single person; 969,600 rand for a couple.

Constant-attendance allowance: A grant-in-aid is paid to persons receiving the old-age grant who require the constant attendance of others as a result of a certified mental or physical condition.

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

War veteran grant (means-tested): Age 60 or disabled and a citizen or permanent resident of South Africa at the

time of the application. Must be a war veteran of the First World War, the Second World War, or the Korean War.

Means test: The applicant must have an annual income of less than 27,552 rand for a single person; 58,224 rand for a couple. The applicant must not have more than 484,800 rand in assets for a single person; 969,600 rand for a couple.

Constant-attendance allowance: A grant-in-aid is paid to persons receiving the war veteran grant who require the constant attendance of others as a result of a certified mental or physical condition.

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

Disability grant (means-tested): Paid to a citizen, permanent resident, or refugee assessed as incapable of providing adequate self-support for more than 6 months. The temporary grant is paid if aged 18 to 60 (men) or aged 18 to 59 (women). 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.

Means test: The applicant must have an annual income of less than 27,552 rand for a single person; 58,224 rand for a couple. The applicant must not have more than 484,800 rand in assets for a single person; 969,600 rand for a couple.

Constant-attendance allowance: A grant-in-aid is paid to persons receiving the disability grant who require the constant attendance of others as a result of a certified mental or physical condition.

Beneficiaries 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 1,010 rand a month is paid for a single pensioner; married couples may receive double the amount. 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 3 months.

Constant-attendance allowance: 240 rand a month is paid.

War veteran grant (means-tested): Up to 1,030 rand a month is paid.

Constant-attendance allowance: 240 rand a month is paid.

Permanent Disability Benefits

Disability grant (means-tested): Up to 1,010 rand a month is paid.

Constant-attendance allowance: 240 rand a month is paid.

Survivor Benefits

Survivor benefits: Benefits are provided under Unemployment, below.

Administrative Organization

National and provincial offices of the Department of Social Development (<http://www.dsd.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.

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 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 paid 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 medicines.

Dependents' Medical Benefits

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

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: Household workers, self-employed persons, 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 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 3-day waiting period.

The maximum earnings for benefit calculation purposes are 3,884.31 rand a week or 16,832.00 rand a month.

The maximum benefit is 2,913.23 rand a week or 12,624.00 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.

Permanent Disability Benefits

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

If the insured's monthly earnings are less than 2,169 rand, the benefit is calculated based on monthly earnings of 2,169 rand.

The maximum earnings for benefit calculation purposes are 3,884.31 rand a week or 16,832.00 rand a month.

The minimum monthly benefit (based on a total disability) is 1,626.75 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 insured's monthly earnings.

If the insured's monthly earnings are less than 2,169 rand, the benefit is calculated based on monthly earnings of 2,169 rand.

The maximum earnings for benefit calculation purposes are 9,428 rand a month.

The minimum lump sum (based on a 30% disability) is 32,535 rand.

The maximum lump sum (based on a 30% disability) is 141,420 rand.

Workers' Medical Benefits

Benefits include medical, surgical, and hospital care and appliances. Benefits are provided for up to 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 reimbursed by the compensation fund.

Survivor Benefits

Survivor pension: The pension is equal to 40% of the permanent total disability pension to which the deceased would have been entitled. A lump sum is also paid equal to two months of the permanent total disability pension to which the deceased would have been entitled. The pension is paid to a widow or to a widower with a disability for life and does not cease on remarriage.

Orphan's pension: 20% of the permanent total disability pension to which the deceased would have been entitled is paid for each unmarried orphan younger than age 18 (no age limit if disabled).

All survivor benefits combined must not exceed the permanent total disability pension to which the deceased would have been entitled, up to 11,193 rand a month.

Funeral grant: Up to 8,880 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

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 household and seasonal workers and employees in national and provincial governments.

Exclusions: Self-employed persons; 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 earnings for contribution calculation purposes 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, above.

Self-employed person: Not applicable.

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

The maximum earnings for contribution calculation purposes 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, above.

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

The maximum earnings for contribution calculation purposes 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, above.

Qualifying Conditions

Unemployment benefit: The insured's entitlement to the benefit increases at a rate of 1 day of benefits for every 6 completed days of employment, up to 238 days in the 4-year period before the date of application for the 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: The surviving spouse or a life-partner of the deceased must apply for the benefit within 6 months of 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

The benefit varies between 38% and 58% of average earnings in the last 6 months, depending on the insured's period of service, and is paid for up to 8 weeks.

Survivor benefit: A lump sum is paid equal to up to 8 weeks of the unemployment benefit the deceased would have been entitled to based on his or her period of service and previous earnings.

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

Beneficiaries 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 younger than age 15. 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.

Means test: The applicant must have an annual income of less than 28,800 rand for a single person; 57,600 rand for a couple.

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

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: The applicant must have an annual income of less than 121,200 rand for a single person; 242,400 rand for a couple.

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

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

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

Family Allowance Benefits

Family allowances

Foster child grant: Up to 680 rand a month is paid.

Child support grant (means-tested): 240 rand a month is paid for each eligible child.

Care dependency grant (means-tested): Up to 1,010 rand a month is paid.

Social relief of distress (means-tested): Paid monthly for up to 3 months; may be extended for 3 months.

Administrative Organization

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