

## South Africa

Exchange rate: US\$1.00 = 14.35 rand.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First laws:** 1928 (old age), 1936 (blindness), 1946 (disability), and 1966 (unemployment).

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

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** Employed persons working more than 24 hours a month, including certain civil servants, household workers, and seasonal workers; and certain categories of self-employed persons.

Exclusions: Most categories of self-employed persons and certain civil servants.

**Social assistance:** Needy resident citizens and permanent residents of South Africa, and refugees residing in South Africa.

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

#### 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:** Finances any deficit; contributes as an employer.

**Social assistance:** The total cost.

### Qualifying Conditions

**Old-age pension (Older Person's Grant, social assistance, means tested):** Age 60 and not receiving any other social assistance benefit.

Means test: Annual income must be below 78,600 rand (for a single person) or 157,200 rand (for a couple), and assets must not exceed 1,122,000 rand (for a single person) or 2,244,000 rand (for a couple).

Constant-attendance allowance (Grant-in-Aid): Paid if the old-age pensioner requires the constant attendance of others to perform daily functions.

**War veteran's grant (social assistance, means tested):** Age 60 or disabled, a veteran of World War II or the Korean War, and not receiving any other social assistance benefit.

Means test: Annual income must be below 78,600 rand (for a single person) or 157,200 rand (for a couple), and assets (excluding the beneficiary's principal residence) must not exceed 1,122,000 rand (for a single person) or 2,244,000 rand (for a couple).

Constant-attendance allowance (Grant-in-Aid): Paid if the war veteran's grant beneficiary requires the constant attendance of others to perform daily functions.

**Disability benefit (Disability Grant, social assistance, means tested):** Must be aged 18 to 59, assessed with a disability lasting at least six consecutive months, and not receiving any other social assistance benefit.

The disability must be confirmed by a medical assessment, which may be reviewed every six months (temporary disability lasting at least six but less than 12 consecutive months) or 12 months (permanent disability lasting at least 12 consecutive months).

Means test: Annual income must be below 78,600 rand (for a single person) or 157,200 rand (for a couple), and assets must not exceed 1,122,000 rand (for a single person) or 2,244,000 rand (for a couple).

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

**Survivor benefit (Dependant's Benefit, social insurance):** The deceased must have been contributing to the Unemployment Insurance Fund and have at least one credit at the time of death.

One credit is earned for every five completed days of employment. Accumulated credits can be used for survivor, sickness, adoption, and unemployment benefits.

Eligible survivors include a 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).

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Survivors may only receive one benefit (survivor, unemployment, or work injury) at a time. Benefits are not paid if the deceased was suspended from claiming because of fraud.

### Old-Age Benefits

**Old-age pension (Older Person's Grant, social assistance, means tested):** Up to 1,700 rand a month (if aged 60 to 74) or 1,720 rand a month (if aged 75 or older) is paid. The pension is reduced to 25% of the maximum amount if the pensioner resides in a government-contracted care facility for more than three months.

Constant-attendance allowance (Grant-in-Aid): 410 rand a month is paid.

**War veteran's grant (social assistance, means tested):** Up to 1,720 rand a month is paid.

Constant-attendance allowance (Grant-in-Aid): 410 rand a month is paid.

### Permanent Disability Benefits

**Disability benefit (Disability Grant, social assistance, means tested):** Up to 1,700 rand a month is paid.

Constant-attendance allowance (Grant-in-Aid): 410 rand a month is paid.

### Survivor Benefits

**Survivor benefit (Dependant's Benefit, social insurance):** 38% to 60% of the deceased's daily earnings, depending on the level of earnings, is paid. (Lower-income persons receive a higher percentage of their earnings and higher-income persons receive a lower percentage.) One day of benefits is paid for each accumulated credit used, up to 365 days (minus any days of sickness, adoption, and unemployment benefits received) in a four-year period.

Daily earnings are calculated by multiplying the deceased's last monthly earnings by 12 (or last weekly earnings by 52), and then dividing by 365. If the deceased's earnings fluctuated significantly, the calculation is based on the deceased's average monthly earnings for the six months before the date of death.

The maximum monthly earnings used to calculate benefits are 17,712 rand.

### Administrative Organization

Department of Labour (<http://www.labour.gov.za/DOL/>) provides general supervision of the social insurance program.

Unemployment Insurance Fund, managed by a bipartite board, local unemployment benefit committees, and claims officers, administers the social insurance program and collects contributions jointly with the Commissioner of the

South African Revenue Services (<https://www.sars.gov.za/Pages/default.aspx>).

The Department of Social Development provides general supervision of the social assistance program.

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

## Sickness and Maternity

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### Regulatory Framework

**First laws:** 1966 (unemployment) and 1995 (labor relations).

**Current laws:** 1996 (constitution); 1997 (conditions of employment); 2001 (unemployment insurance); 2002 (contributions); and 2003 (health), implemented in 2004.

**Type of program:** Universal (medical benefits), social insurance (cash benefits), employer-liability (cash sickness benefits), and social assistance (medical benefits) system.

Note: A 2018 amendment to the Unemployment Insurance Act introduced a 10-day paternity, adoption, and parental leave benefit.

### Coverage

**Universal:** Citizens of South Africa.

**Social insurance:** Employed persons working more than 24 hours a month, including certain civil servants, household workers, and seasonal workers; and certain categories of self-employed persons.

Exclusions: Most categories of self-employed persons and certain civil servants.

**Employer liability:** Employed persons working more than 24 hours a month, including civil servants, trainees, household workers, seasonal workers, and foreign nationals working under a contract.

Exclusions: Certain military and security personnel unpaid volunteers, and persons receiving a work injury or occupational disease benefit from the compensation fund.

**Social assistance:** Needy resident citizens and permanent residents of South Africa, and refugees residing in South Africa.

### Source of Funds

#### Insured person

*Universal and social assistance:* None.

*Social insurance:* See source of funds under Unemployment.

*Employer liability:* None.

**Self-employed person**

*Universal and social assistance:* None.

*Social insurance:* See source of funds under Unemployment.

*Employer liability:* None.

**Employer**

*Universal and social assistance:* None.

*Social insurance:* See source of funds under Unemployment.

*Employer liability:* The total cost.

**Government**

*Universal and social assistance:* Most of the cost of medical benefits.

*Social insurance:* Finances any deficit; contributes as an employer.

*Employer liability:* None; contributes as an employer.

**Qualifying Conditions**

**Cash sickness benefit (social insurance):** Must be unable to work for at least seven days and be receiving less than normal wages. Must be contributing to the Unemployment Insurance Fund and have at least one accumulated credit at the time the incapacity begins.

One credit is earned for every five completed days of employment. Accumulated credits can be used for sickness, adoption, unemployment, and survivor benefits.

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

**Cash sickness benefit (employer liability):** Must have worked for the same employer for at least 26 days. A medical certificate may be required.

**Cash maternity benefit (social insurance):** Must be contributing to the Unemployment Insurance Fund, have at least one accumulated credit before the expected date of childbirth, and have at least 13 weeks of employment before the claim is made. The insured earns one credit (one day of paid leave) for every five completed days of employment.

The maternity benefit must be claimed within 12 months of the birth.

**Adoption benefit (social insurance):** Paid for the adoption of a child younger than age 2. The insured must leave work to look after that child and must be receiving less than his or her daily earnings before the leave began. The insured must be contributing to the Unemployment Insurance Fund and have at least one accumulated credit at the time of the expected date of adoption.

One credit is earned for every five completed days of employment. Accumulated credits can be used for sickness, adoption, unemployment, and survivor benefits.

The adoption benefit must be claimed within six months after the date of the order for adoption.

**Cash family responsibility leave (employer liability):**

Paid for the death of a spouse, partner, parent, adoptive parent, grandparent, child, adopted child, grandchild, or sibling. The employee must have worked for the same employer for at least four months with at least four working days a week.

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

**Medical benefits (hospitalization, social assistance, income tested):** There is no minimum qualifying period.

Eligible persons include unemployment and social assistance beneficiaries (including of the old-age pension, child support grant, war veteran's grant, care dependency grant, disability benefit, 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.

Income test: Annual income must not exceed 72,000 rand (for a single person) or 100,000 rand (for a household).

**Sickness and Maternity Benefits**

**Sickness benefit (social insurance):** 38% to 60% of the insured's daily earnings, depending on the level of earnings, is paid after a six-day waiting period. (Lower-income persons receive a higher percentage of their earnings and higher-income persons receive a lower percentage.) One day of benefits is paid for each accumulated credit used, up to 365 days (minus any days of survivor, adoption, and unemployment benefits received) in a four-year period.

Daily earnings are calculated by multiplying the insured's last monthly earnings by 12 (or last weekly earnings by 52), and then dividing by 365. If the insured's earnings fluctuate significantly, the calculation is based on the insured's average monthly earnings in the last six months.

The maximum monthly earnings used to calculate benefits are 17,712 rand.

**Sickness benefit (employer liability):** 100% of the employee'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 every 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.

**Maternity benefit (social insurance):** 66% of the insured's daily earnings is paid for 199 to 238 days, depending on the insured's contribution record; 20% from the 239th to the 365th day.

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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 last monthly earnings by 12 (or last weekly earnings by 52), and then dividing by 365. If the insured's earnings fluctuate significantly, the calculation is based on the insured's average monthly earnings in the last six months.

The maximum monthly earnings used to calculate benefits are 17,712 rand.

**Adoption benefit (social insurance):** 38% to 60% of the insured's daily earnings, depending on the insured's level of earnings, is paid. (Lower-income persons receive a higher percentage of their earnings and higher-income persons receive a lower percentage.) One day of benefits is paid for each accumulated credit used, up to 365 days (minus any days of survivor, sickness, and unemployment benefits received) in a four-year period.

Daily earnings are calculated by multiplying the insured's monthly earnings by 12 (or last weekly earnings by 52), and then dividing by 365. If the insured's earnings fluctuate significantly, the calculation is based on the insured's average monthly earnings in the last six months.

The maximum monthly earnings used to calculate benefits are 17,712 rand.

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

### **Workers' Medical Benefits**

**Medical benefits (primary care, universal):** Medical services are provided by primary health care facilities.

**Medical benefits (hospitalization, social assistance):** Benefits include medicine and hospitalization in provincial hospitals.

The benefits are fully subsidized for social assistance and unemployment beneficiaries and partially subsidized for all other eligible persons.

### **Dependents' Medical Benefits**

**Medical benefits (primary care, universal):** Dependents are covered in their own right.

**Medical benefits (hospitalization, social assistance):** Benefits for dependents are the same as those for the primary beneficiary.

### **Administrative Organization**

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

Unemployment Insurance Fund, managed by a bipartite board, local unemployment benefit committees, and claims officers, administers the social insurance program and collects contributions jointly with the Commissioner of the South African Revenue Services (<https://www.sars.gov.za/Pages/default.aspx>).

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

## **Work Injury**

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### **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 workers, agricultural workers, and certain military personnel.

Exclusions: Self-employed persons, household workers, unpaid volunteers, and certain military personnel.

Special systems for miners.

### **Source of Funds**

**Insured person:** None.

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

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

**Government:** None; contributes as an employer.

### **Qualifying Conditions**

**Work injury benefits:** Must be assessed with a work injury or occupational disease. The employee must report the accident within 12 months.

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

### **Temporary Disability Benefits**

For a total disability, 75% of the employee's last monthly 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 monthly earnings used to calculate benefits are 5,028 rand.

The maximum monthly earnings used to calculate benefits are 35,912 rand.

The minimum monthly temporary disability benefit is 3,771 rand.

The maximum monthly temporary disability benefit is 26,934 rand.

Partial disability: A percentage of the employee's last monthly 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:** For a total (100%) disability, 75% of the employee's last monthly earnings is paid.

The minimum monthly earnings used to calculate the permanent disability pension are 5,028 rand.

The maximum monthly earnings used to calculate the permanent disability pension are 35,912 rand.

The minimum monthly permanent disability pension is 3,771 rand.

The maximum monthly permanent disability pension is 26,934 rand.

Constant-attendance allowance: 1,990 rand a month is paid if the employee requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability of at least 31% but less than 100%, a percentage of the full permanent disability pension is paid based on the assessed degree of disability.

The minimum monthly earnings used to calculate the partial disability pension are 5,028 rand.

The maximum monthly earnings used to calculate the partial disability pension are 35,912 rand.

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

The minimum lump-sum partial disability pension (based on a 30% disability) is 75,420 rand.

The maximum lump-sum partial disability pension (based on a 30% disability) is 301,680 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**

### **Survivor pension**

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

The spouse's pension continues upon remarriage.

The minimum monthly spouse's pension is 1,508 rand.

The maximum monthly spouse's pension is 10,774 rand.

*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 minimum monthly orphan's pension is 754 rand.

The maximum monthly orphan's pension is 5,387 rand.

*Other dependent's pension:* If there is no widow(er) or orphan, up to 40% of the permanent total disability pension the deceased received or was entitled to receive is paid to survivors who were fully dependent on the deceased; if there is no widow(er), orphan, or fully dependent survivor, up to 155,183 rand is paid as a lump sum to survivors who were partially dependent on the deceased, depending on the assessed level of dependence.

Eligible survivors include a parent, grandparent, sibling, half-sibling, or grandchild of the deceased.

The maximum combined survivor benefit is 100% of the permanent total disability pension the deceased received or was entitled to receive.

**Funeral grant:** A lump sum of up to 18,251 rand is paid.

### **Administrative Organization**

Department of Labour (<http://www.labour.gov.za/DOL/>) 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).

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

### Coverage

Employed persons working more than 24 hours a month, including certain civil servants, household workers, and seasonal workers; and certain categories of self-employed persons.

Exclusions: Most categories of self-employed persons and certain civil servants.

### Source of Funds

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

The maximum earnings used to calculate contributions are 17,712 rand a month or 212,539 rand a year.

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

**Self-employed person:** A contribution is paid.

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

**Employer:** 1% of covered payroll.

The maximum earnings used to calculate contributions are 17,712 rand a month or 212,539 rand a year.

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

**Government:** Finances any deficit; contributes as an employer.

### Qualifying Conditions

Must be contributing to the Unemployment Insurance Fund and have at least one accumulated credit at the time employment ceases.

One credit is earned for every five completed days of employment. Accumulated credits can be used for sickness, adoption, unemployment, and survivor benefits.

Must be capable of and available for work and 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 for disciplinary reasons), 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 12 months of first becoming unemployed; may be extended under certain conditions.

### Unemployment Benefits

38% to 60% of the insured's daily earnings, depending on the insured's level of earnings, is paid for the first 238 days; 20% from the 239th to the 365th day. (Lower-income persons receive a higher percentage of their earnings and

higher-income persons receive a lower percentage). One day of benefits is paid for each accumulated credit used, up to 365 days (minus any days of survivor, sickness, and adoption benefits received) in a four-year period.

Daily earnings are calculated by multiplying the insured's last monthly earnings by 12 (or last weekly earnings by 52), and then dividing by 365. If the insured's earnings fluctuate significantly, the calculation is based on the insured's average monthly earnings in the last six months.

The maximum monthly earnings used to calculate benefits are 17,712 rand.

The maximum daily unemployment benefit is 221.28 rand.

### Administrative Organization

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

Unemployment Insurance Fund, managed by a bipartite board, local unemployment benefit committees, and claims officers, administers the program and collects contributions jointly with the Commissioner of the South African Revenue Services (<https://www.sars.gov.za/Pages/default.aspx>).

### Family Allowances

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#### Regulatory Framework

**First law:** 1992 (social assistance).

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

**Type of program:** Universal and social assistance system.

#### Coverage

Resident citizens and permanent residents of South Africa, and refugees residing in South Africa.

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 (universal):** Paid to a person caring for a foster child up to age 18 (age 21 if a student). There must be a court order indicating the foster care status of the child.

Foster parents may receive more than one social grant at a time.

**Child support grant (social assistance, means tested):**

Paid to the primary caregiver of a child up to age 18 for up to six biologically non-related children (no limit for biologically related children). The primary caregiver must be aged 16 or older.

Means test: Annual income must not exceed 49,200 rand (for a single person) or 98,400 rand (for a couple).

Beneficiaries may only receive one social grant at a time.

**Care dependency grant (social assistance, means tested):** Paid to a parent, foster parent, or primary caregiver of a child up to age 18 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.

Means test: Annual income must not exceed 204,000 rand (for a single person) or 408,000 rand (for a couple). The foster child grant is not considered income in the means test.

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 (social assistance, means tested):** Temporary assistance may be paid to certain vulnerable individuals or households.

**Family Allowance Benefits**

**Foster child grant (universal):** 960 rand a month is paid for each eligible child.

**Child support grant (social assistance, means tested):** 410 rand a month is paid for each eligible child.

**Care dependency grant (social assistance, means tested):** 1,700 rand a month is paid for each eligible child.

**Social relief of distress (social assistance, means tested):** Cash or in-kind benefits are paid monthly for up to three months; may be extended for three months.

**Administrative Organization**

South African Social Security Agency (<https://www.sassa.gov.za/>) administers the universal and social assistance programs.