Social Security - Unemployment Ins.

1986
UIF survives toughest year

GERALD REILLY

The Unemployment Insurance Fund (UIF) has emerged from the toughest year in its history, hopeful it will be able to meet its commitments this year without selling off investments.

UIF commissioner Jack Schepers told Business Day yesterday that benefits were paid to a record 350,000 unemployed workers last year, at an average of R20m a month.

By the end of last year the fund had shrunk to R133m, compared with R242m at the end of 1994. Schepers said increased contributions from employers and workers and a R75m government grant made it likely that commitments could be met this year.

He added that the contributions of 130,000 employers and nearly 4-million workers had been raised by 0,7% from December 1.

He said the Unemployment Insurance Board would monitor the UIF's performance each month to assess the adequacy of increased contributions, to cover what could be growing demand on the fund during the year.
UNEMPLOYMENT

SALDRU
SCHOOL OF ECONOMICS
UCT.

AN ECONOMIC, SOCIAL
AND
PSYCHOLOGICAL
PERSPECTIVE
INFORMATION PACKAGE ON UNEMPLOYMENT

This information package contains papers delivered at a Panel Discussion held on the 15 August 1985 at the Dagbreek Information Centre, Westridge, Mitchell's Plain. This event was organised by the Ministers' Fraternal in Mitchell's Plain and the Churches Urban Planning Commission (CUPC). The purpose of this panel discussion was to gain a better understanding of the root causes of unemployment and the effects on the families. The panel discussion was attended by Social Workers, Ministers, Doctors, Psychologist, Educationalists, Nurses and Community Workers. The Chairperson was Ms Nabs Wessels a Social Worker from Genadendal.
SECTION A: Theoretical Paper:
Economic causes of unemployment -
Ismail Adams - Lecturer - Economic Department.

Sociological effects of unemployment -
Yvonne Muthien - Lecturer - Sociology
Department - University of the Western Cape.

Psychological effects - Yvonne Muthien.

SECTION B: Practical Paper:
* The effects of unemployment on the family
  with specific reference to a study done on
  wifebattering - Merlyn Lawrence - Social
  Worker - Child Welfare Society.

* The general responses to unemployment by
  Social Workers, employment agencies.
  The family disintegration - Vernon Weitz -
  Community Worker - SANCA.

SECTION C: Suggested solutions & Alternatives:
People one could go to for advice.

WE HOPE THIS PACKAGE WILL CONTRIBUTE TO A
BETTER UNDERSTANDING OF UNEMPLOYMENT.
ECONOMIC CAUSES AND TRENDS OF UNEMPLOYMENT

INTRODUCTION:

Unemployment is a complex problem rooted in industrial and industrializing society today. It is, on the other hand the result of certain structural conditions in a society and the nature and specific economic conditions on the other hand. Furthermore, the consequences of unemployment has for the individual and community of which he/she is part for reaching implications.

I will be addressing the specific economic condition giving use to rise to unemployment.

Various theories and opinions have emerged regarding unemployment which is always reinforced by statistics. This usually find to uphold the particular stand taken. However, the purpose of this talk is not to embark on the pro's and cons of various employment debates but rather to accept the fact that unemployment is endemic in the capitalist form of production.

The crucial point is that although we will be discussing unemployment as a separate socio-economic phenomena, it is at the same time form part of the larger system, and in this regard therefore, unemployment has a social dimension for people today still interpret those being without work a personal problem rather than a social problem. It is this "personal problem" myth that also needs to be addressed.

Furthermore, when one thinks about unemployment, one thinks of the suffering of those unemployed and their families. But the point is that our whole society suffers. To put it bluntly - unemployment is a national problem and if one accepts this indeed to be the last, we need to look at the broader national economy, how it functions, what forces are at play and what makes it tick.

I will now look at some trends of unemployment in South Africa. Whathas happened in the past and the road ahead.

Magnitude and Trends

Much has been written on the definition and in uninsuredm of unemployment in South Africa. Not withstanding the conceptual problems regarding definitions and uninsureds of unemployment, S.A.'s unemployment rates of all races calculated, based on studies undertaken by Dr. Charles Simkins of UCT.

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Average Unemployment Rate</th>
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<tbody>
<tr>
<td>1960</td>
<td>1969</td>
<td>17.2%</td>
</tr>
<tr>
<td>1970</td>
<td>1979</td>
<td>18.00%</td>
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<tr>
<td>1980</td>
<td>1983</td>
<td>21.5%</td>
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The empirical evidence therefor reveals that the overall unemployment rate according to Dr. Simkins calculations was increased from 16.2% in 1975 to about 22% in 1982. The problem has of course been aggravated by the current recession facing S.A. Unemployment in 1985 is at a much higher level. This fact is even reflected in the S.A. Federation Chambers of Industries weekly Bulletin dated 26/7/85. Unemployment amongst in which it stated that registered unemployed whites, coloured, and asians have increased by 101.5% in May this year compared to May 1984.
At this stage it would be appropriate to present a brief overview of the current economic crisis in S.A. Primarily to highlight some of the causes of unemployment. This third section is heavily based on the article by S. Gelb and D. Innes in Work in Progress No. 36. (WIP)

South Africa economic crisis - a brief overview highlighting some causes of unemployment

The general consensus today is that S.A.'s unemployment recession which has been intensified by the political crisis facing this country. It should be noted that although I will be focusing on the economic aspect, the historical political component of the problem is an integral part of the entire socioeconomic fabric. What has transpired over the last few months is that both the business and the government attempt to resolve the crisis by emphasizing that inflation and government expenditure and the main areas of concern. Thus the argument goes - to resolve the crisis, government expenditure must be drastically reduced (without explicitly elucidating what they mean) and the inflation lowered. However, unemployment and inflation are part and parcel of the capitalist system. What needs to be done at a more fundamental and humane level is to reform the political economy of South Africa, attempting primarily to alleviate the economic, social and political imbalance in the country.

The current recession facing South Africa is quite different from those experienced in the past. A recession is the downward phase of the business cycle and a boom is the peak of the cycle.

Why is this recession different from the past?

In general economic uprisings were accompanied by using consumption which lead to an increase in demand for goods and services, and ultimately a rise in inflation. These price rises would eventually cause demand to fall and production to slow down. This recessionary phase would be characterized by falling prices and rising levels of unemployment - until demand was re-stimulated and the economy "took off" again.

What makes this recession so serious for the S.A. economy is that the cyclical down swing simultaneously involves higher inflation. The combination of low economic growth and high inflation is termed stagflation. "What one, therefore has to ask is" What causes this high inflation of plus minus 17% at the moment and low rate of Gross Domestic Product (GDP) of -2% in 1985? Obviously the low GDP, a primary indicator of the level of the nations economic activity reflects unemployment. Some of the answers as indicated by Gelb and Innes are:

a) High interest rates: these rates running at plus minus 23%; H.P. agreements at plus minus 30%. Such interest rates tend to dampen economic activity, e.g. a number of liquidations or bankruptcies have increased; a glut in the market resulting in retrenchments etc. One of the objectives of high interest rates is to prevent capital from leaving South Africa. In fact what is happening in the country today due to political pressures from all sides, is that the capital account of the balance of payments is under severe pressure - there is an overflow of capital, the rand is still falling adding to higher inflation.

a) The falling Rand (Inflation)

The exchange rate of the rand to the dollar has decreased by some 50% over the last few months (from $80 - $40). The depreciation of the rand poses 2 serious problems for the economy:
fallen and this contributes to fuelling unemployment.

(2) Companies

Companies used to borrow in order to finance working capital and expansion requirements. However S.A.'s corporate structure has become highly monopolised. It has been reported that those major companies (Anglo American & Old Mutual & Sanlam) control plus minus 79% of the shares listed in the Johannesburg Stock Exchange. What we therefore find is that large companies tend to dominate many sectors of the economy. Furthermore, large companies require large expansion programmes, their borrowing is substantial. By raising interest rates the government has also hit at company borrowing which reflects in 2 ways; (i) the decline in consumer spending warns that the market is shrinking and companies react by (ii) cutting back in production which results in retrenchments and unemployment.

This obviously accelerates the recession. At the same time many small businesses have gone into liquidation and by implication hereof. Capital accumulation or controls becomes more concentrated.

(3) State expenditure:

State expenditure has escalated over the last few years. In 1981 it stood at 22% of GDP, today it is plus minus 29%. One of the major reasons for increased interest rates is to make more credit available to the government by cutting consumer spending and company demands.

The reasons for state expenditure being so high are for instance the Defence budget- Namibian War; Black education, homeland development, farmers subsidies, tricameral government, etc.

How did the government finance this expenditure?

There are basically three sources of government revenue viz. taxation of individuals and companies, G.S.T. etc. borrowing locally and abroad and "printing money. During an economic uprisng, tax revenue increases as company profits rise, individuals get wage and salary increases and consumption is high. Conversely, as the economy moves into recession, government income from taxes drops as profits and incomes fall. After 1982, the government was forced to borrow money from abroad. Also the 1984 budget raised company tax from 42% to 46%. G.S.T was raised from 7% to 10% and now at 12%. Notwithstanding all these measures the government was forced to raise the money supply.

"All these measures contribute to inflation and high unemployment. Thus the government played an important role in creating the conditions of high inflation and high unemployment." (stagflation).

The scenario thus portrayed is one which the South African crisis has manifested itself not simply in the economy, but in all aspects of society. The government has time and again reorganized the political institutions through which it seeks to incorporate various oppressed groups, for instance, Presidents Councils, Urban Black Community Council and the tricameral parliament. The repeated rejection of these institutions has of course caused the ruling class in a vicious circle. Resolving the crisis depends on social restructuring, which in turns depends on high economic growth, which is impossible as long as the crisis continues.
be of particular significance in the future are:

THE FUNDAMENTAL ISSUE AT STAKE IS THE ESTABLISHMENT OF A NON-RACIAL DEMOCRATIC SOCIETY IN SOUTH AFRICAN, IN OTHER WORDS THE EXISTING POLITICAL POWER BASE, NEEDS TO BE RADICALLY CHANGED FOR ANY EFFECTIVE LONG TERM RECONSTRUCTURING OF OUR SOCIETY. APARTHEID IN ALL ITS FORMS NEED TO BE ERADICATED COMPLETELY.

The encouragement of informal sector in urban areas.
The expansion of social infrastructure including education, training, health services, urban housing, higher income lives need to be advanced which stimulates markets etc.

At the more fundamental level, OUR STRUGGLE AGAINST UNEMPLOYMENT IS ALSO A STRUGGLE AGAINST NATIONAL OPPRESSION.
THE SOCIO-PSYCHOLOGICAL IMPACT OF UNEMPLOYMENT

Yvonne G Muthien

Introduction

Despite the fact that academics have no real experience of unemployment, we can perhaps bring some insights and perspective to the situation and experience of the unemployed. It is often said that the picture of unemployment looks bleak and despondent, but lest we despair as well, I thought it useful to place unemployment in a structural/sociological perspective. The perspective that I bring as a sociologist:

(1) ties poverty to class - hence poverty is not only experienced by the unemployed, but by wage earners as well

(2) tries to look at studies done elsewhere in South Africa and abroad in the hope of gaining some general insights on unemployment

(3) locates the root cause of unemployment in the social, economic and political structure that generates unemployment, inequality and deprivation

(4) does not locate the cause of unemployment in the individual's character, abilities, but in the structures over which they have little or no control

(5) sees the effects of unemployment not only having an impact on the individual, but especially on the family and community. Unemployment is not an individual problem, but a social issue.

(6) recognising that unemployment does not only lead to a loss of income and status - but involves immense social and psychological costs as well.

I Structural Analysis

To begin with, a few sociological observations drawn from case studies in the literature should provide us with some perspective on the problem of unemployment:

1. There is a close connection between poverty and wage earning - strikingly a large proportion of the poor are regularly employed. (In 1899 - 77% of those in poverty

* Since this paper was prepared for informal panel discussion on unemployment it is presented with somewhat less academic rigor.
4. Studies indicate that particular categories of people are hard hit by unemployment (Popay, 1985).

(i) In the UK it was found that unemployment among married men with more children (4+) were three times higher than those with fewer or no children.

(ii) Unemployment is further concentrated in some families
- more often both parents were unemployed while 61% of wives of married men worked, only 33% of wives of unemployed men worked.
- 30% of unemployed youths had one or both parents unemployed.
- If one were to look at the class position of the workers in these families, over 60% of those unemployed were unskilled or semi-skilled manual workers.
- The average unemployed family is thus often not cushioned by the earnings of secondary workers.
- once people are unemployed they are discriminated against when reapplying for jobs. Employers take newcomers/school leavers rather than unemployed.

5. Unemployment in general places added strain and burdens on women - women in low-income families assume most of the responsibility for the family's needs: paying rent, food, fuel and clothing, and the demands of the children's schooling. To quote Lorna McKee & Colin Bell (1983: p 26) in Popay 1985: 182: "... it was often the wives who had to live on their wits, variously hunting down bargains, devising new 'economic meals', locating sources, placating hungry children, refusing children spending money on treats, patching or mending clothes, going without food, or taking less nutritional meals themselves and sometimes dealing with creditors. There is too some evidence of wives protecting their husbands from the financial reality or concealing their own worries about money."

In this patriarchal family structure, where the father is primarily the breadwinner and provider, unemployment does not only lead to a loss of income, but a loss of his social
class experiences much more mental health problems than any other social class".

These problems include: disorientation, depression, helplessness, anxiety, as well as psycho-somatic illnesses such as hypertension, heart disease, ulcers, alcoholism.

2. Upon being dismissed and becoming unemployed Bruce Irvine (Carnegie, 1984) identifies a sequence of psychological trauma: shock - optimism - pessimism - fatalism.

3. It can be argued that unemployment implies much more than the loss of income or a job. Research done in the 1930's in the UK (Marie Jahoda: in Irvine, 1984) point to the fact that people are socialized to work, to do things, to be productive - we all have internalized the work ethic. According to Marx, the capacity to create objects and reproduce our arterial life is what distinguished amn (and woman) from animals - the capacity to produce is thus a distinctly human activity. Hence work in itself constitutes a part of our biological and psychological rymth. Being deprived of this role as worker could have serious effects on the workers life pattern. (Depriving the body of its clock/ticking mechanism.) Jahoda argues that work

(a) imposes a time structure on the working day - work gives us a reason for getting up in the morning - loss of work leads to disorientation and difficulty in structuring the day.

(b) work brings regular shared experiences and contact outside the family: loss of work leads to loss of friendships, social isolation, loneliness.

(c) work defines personal status and identity: "The position people hold in society and the jobs they perform play an important part in the conception they form of themselves." (Stanton in Irvine, 1984) - the "significant others" (Margaret Mead) - "Any real man can support his family. I used to be a real man now I am worth less than a loaf of bread. Bread is more use to them than me." (Irvine, 1984: 19)
4. We must decide w'ho collect our UIF money.

5. The government must tell the bosses what to do about UIF. Charge the bosses if they don't listen.

6. We want better? more efficient administration of the UIF.

7. We don't want number on our blue cards.

8. Officials must listen to us before they give us a six-week penalty.

9. We need another fund to help workers who have finished getting money from the UIF and for people who have never worked.

10. The bosses and the government must give more money to the UIF.

11. Workers must have more control over the UIF.

As workers we know only too well that the real problem lies in the creation of unemployment. Work should be a right and not a privilege. What a human tragedy it is to have strong hands idle, when people are starving, without houses, schools, hospitals and roads.

- political solution have to contend with the struggle for universal franchise in South Africa - the struggle for political rights is a struggle for a fairer economic dispensation.

2. Short term solutions:

(a) Unemployment centers in UK/South Africa - church
- learn new skills
- meet other unemployed
- support network - mobilize the community to support unemployed.
- support women: Saturday playgroups - relieve mothers of children for a few hours?
- Buy Black - support informal sector - consumer boycott
REFERENCES:


8. Popay, J 1985 : "Women, the Family and Unemployment" in P Close & R Collins (ibid.)

Background

What Mitchell's Plain was designed to be.

Early in the 1950's a secret weapon was circulated within the National Party. This was the blueprint for the control of people through geographic and racial segregation. The result of the report was the Group Areas Act of 1950 which provided for racially defined groups to be relocated into smaller urban areas. Since the commencement of the Group Areas Act thousands of "Coloured families" have been uprooted and removed from stable communities.

THE NEED FOR MITCHELL'S PLAIN

Mitchell's Plain was envisaged in the mid 1960's. In 1965 the City Engineer submitted his first report proposing the Mitchell's Plain development to meet the growing need for houses for the 'coloured' people. In 1971 the farm 'Mitchell's Plain was classified a coloured area and the Cape Town City Council was granted permission to start the ambitious housing project. They were responsible for the planning, designing and construction of Mitchell's Plain as an agent of the Department of Community Development. The Government made funds available through the National Housing Fund for the full development of home ownership, including facilities and amenities. Although the funds were granted, the grant was a loan which has to be repaid through the rents and rates of each house. In the development of Mitchell's Plain there was to be no cost to the Municipality and the Rate Payers of Cape Town.

Prior the development of Mitchell's Plain, the impasses in the Western Cape was to be provided concurrently with the housing construction. It was estimated that there were 30,000 inadequately housed families in Cape Town including squatter families and to clear this backlog and copewith the natural increase of 'coloured' population, 40,000 homes were to be built, housing 250,000 people. The target date was to be 1984.

Mitchell's Plain was originally intended to ease the housing shortage, catering for the Cape Town City Council's waiting list for sub-economic housing. However, in 1974, it was replanned to provide housing for a higher income group (those who could afford it) because the new rental structure would be too great an increase for sub-economic tenants. According to Mr. Steyn the idea of home ownership was seen at Government level to guard against political unrest. (Argus 23/3/77)

According to Brand, the objectives were to shed the image of 'low cost' housing and to promote social stability, security, privacy and personal satisfaction by cheating an environment which would encourage upward mobility and would assist in the formation if social groups and community interests.

Mitchell's Plain was envisaged as an instrument of social transformation, cultural upliftment, educational advancement and hence human development.

The pointers for the planners were privacy, security and identity. They felt that the Mitchell's Plain would want homes of their own in a nuclear family, and wanted to identify with a home in a neighbourhood in their own socio-economic class and they wanted security from crime that had become part of their lives on the Cape Flats.

The social objectives were therefore - to create better living conditions
The Problems which emerged in Mitchell's Plain

I have done a study on wife beating in Mitchell's Plain (Thesis entitled: The problem of marital violence in Mitchell's Plain and its implications for the future of society" 1984 obtainable at UCT).

My interest and concern in the subject developed while I was employed at Child Welfare Society, sub-office in Mitchell's Plain from 1979 to 1983, and from being a resident in the area. I observed manifold problems experienced by the residents which seemed to be largely influenced by socio-economic, socio-political factors. Although Mitchell's Plain had been designed to improve the quality of life of the residents problems of poverty and hardships emerged soon after the residents moved in. These problems led to stress and frustration, and many families vented these stresses within the family itself.

I also found that the majority of cases coming to the attention of welfare agencies in Mitchell's Plain, reported marital problems. Of these cases, wife beating was prevalent to a great degree. I therefore undertook the study because of the high incidence of wife beating in the area, and because of the lack of facilities to assist victims and their families.

I found in my research that wife beating as on of a number of family problems in Mitchell's Plain, was the second highest crime reported to the police. Social Workers in the area found that it accounted for between 25-75% of their cases. I have reason to believe that the incidence is probably higher because it is an under reported crime, it is considered a 'private', 'domestic' affair, welfare agencies and other authorities do not keep official statistics on the problem, and in the South African Context, little research has been done.

My research found that wife beating is due to a combination of factors, the main ones applicable in Mitchell's Plain being

- Socio economic factors and
- Alcoholism (among others)

How does all this relate to unemployment?

As I have already stressed, wife beating must be seen in the context of family problems.

Studies have found that wife beating and family problems is bound to increase as the economy of a country worsens. In the United States, social workers have found that wife beating and child abuse are increasingly alarmingly and they link it to the worsening state of the economy. Experts are finding that both child abuse and wife abuse are correlated to unemployment and economic hard times. They have found that, while the increased publicity about the help available may account to some extent for the increased demand for facilities, there is a real increase in wife beating and that America's economy is to blame. It was found that stress is a commonly recognised precipitator of physical abuse and that millions of American families are under financial stress (Argus 21/1/83).

In 1975 the British Association of social workers stated "At a time of economic recession the incidence of marital violence is bound to increase. The poverty, humiliation, which accompany unemployment and short time working or other
- alcoholism, theft,
- physical abuse
- fear, uncertainty, frustration
  affects children's progress at school
- over-crowdedness (boarder's move in to assist financially)
- disunity
- enstrangements
- insecurity in community
- antagonism
- jealousy
- the haves versus the have nots.

M. LAWRENCE
WERKLOOSHEID BINNE DIE KONTEKS VAN ERVARING IN ONS GEMEENSKAP

VERNON WIETZ

'n Onderzoek wat onder maatskaplike en gemeenskapswerkers gedoen was, het aangetoon dat hierdie sosiale pes die grootste onderliggende oorsaak van probleme in ons hedendaagse gemeenskap is. Naas werkloosheid is die probleem van BEHUISING geïdentificeer.

Dit is eindlik tragies om te sien dat baie van ons kollegas werkloosheid spesifiek toetskryf aan die hele konsep van WERKSKUHEID; hulle besef nie dat juis gemanifesteer is binne ons maatskaplike en ekonomiese omstandighede nie. Ook is hulle geneig om werkloosheid toe te skryf aan die ekonomiese toestand van die land maar vind dit moeilik om te verklar hoe die egenskpees van die ekonomie werkloosheid bevorder.

Hoe raak werkloosheid die broodwinner? Oor die algemeen het ons nog 'n patriargale gesinsverband –dit is waar die man nog die hoof van die gesin en broodwinner is. Indien die man dus werkloos is, ontstaan die gevoel by hom dat hy nie meer sy ware rol as vader kan uitspeel nie. Die vrou word gevolglik meer gelaai met verantwoordlikhede wat spanning in die huishouding teweegbring. Indien daar reeds spanning in die gesin is, word dit verder verhoog; b.v as 'n man en vrou huweliks probleme het, kan dit noodwendig tot egskeiding lei.

Dit word algemeen anvaar dat ons inustrieë in die Wes-Kaap en dan spesifiek in die Skiereiland 'n spesifieke patroon van "ligte industrieë" , b.v klerefabriekte aanneem. Gevolglik word baie vroue ingespan teen 'n baie lae loon. Baie van hierdie vroue is alleen verantwoordelik vir die voortbestaan van hulle afhanklikes; baie van hulle is of 'geskei' of het afhanklikes vir wie hulle primêr verantwoordelik is. Ons kan maar net voorstel wat gebeur as so 'n broodwinnaar haar werk verloor.

Baie van ons gesinne dra ook nog die kenmerke van "Uitgebreide families"; dit is waar ouma, oupa en kleinkinders nog saam met die nukleêre gesin bly. In baie van sulke gevalle is mense in hiedie tipe gesin werkloos. Gevolglik beteken dit dat een of twee persone die finansiële las van die gehele gesin moet dra. Die disintegrasie van die gesin en dan ook die gemeenskap is onkeerbaar.

Probleme wat organisasies ondervind om vir mense werk te soek, hang baie nou met ons opvoedkundige sisteem. Die meeste van die werklossiseis of 'ongeskold' of 'halfgeskold'. Boonop is daar organisasies wat die werklose nog verder uitbuit. Een spesifieke organisasie vra vir fooi van R10 om vir hulle werk te soek. Hierdie fooi dra geen waarborg dat hulle wel werk sal kry nie, en die moontlikheid dat dit verlore kan raak is baie sterk. Mense het nie geld om hulle ruisgeld te betaal nie, hoe kan hulle nog R10 bekostig?
CONCLUSION

We would like to thank the panelist for the time they sacrificed to study and present these papers. We also would like to thank the Chairperson for her leadership and participation. Lastly we would like to thank those who made a special effort to attend and contribute. We hope that the panel discussion contributed in a small way to committing us to work for work and security for all in our country.
In fact it has been estimated that there are approximately 3 million people unemployed in South Africa today. For every 3.5 Africans who have a job, there is another South African who should have one but could not find one. These statistics reflect the seriousness of the problem today.

What about the road ahead?

The Human sciences Research Council Study (1983) estimates that during 1980-1985 labour forced would increase at a rate of 3000 000 p.a. compared with an estimated growth rate for labour of 134 000 new jobs p.a. based on growth rate in GDP of 4.5 % p.a.

In other words, the economy has to generate new job opportunities to the magnitude of some 350 000 new jobs p.a. over the next 5 - 10 years.

The problem is aggravated even further when one realizes that the real GDP growth p.a. during 1974 - 1984 was only 2.3%.

The projection today is that the economy will not even grow at 2% p.a. at the end of 1985. This alone reflects the seriousness of the unemployment problem facing S.A. today and years ahead.

Furthermore, some of the forces determining the movements in the unemployment rate may to a large extent originate from abroad. This is so because as an economy becomes more "open" (i.e. more international trade links and related financial institutions) it is more vulnerable.

One could therefore come to the conclusion that the increasing trend in unemployment roots in S.A. should therefore be explained in long-termed structural rather than short-term cyclical movements. By structural we mean the ability of the economic system to provide employment for its growing labour force. The literature has cited and the following with regard to structural unemployment:-

"In developed countries, structural unemployment is caused in the main by the inability of certain groups to obtain jobs because they lack the skills which are demanded or because of the geographical immobility of labour."

On the other hand the" the problems of structural unemployment in developing nations (like RSA) are different and stem from the failure of the modern sector of their economic to grow rapidly enough, over the course of these industrialisation, to absorb increases in their labour supply".

The latter point is consistent with what has been said earlier, viz. the economy is growing at a real growth rate of the same 2% p.a. while the growth rate of the S.A. labour force far exceeds this figure.

The price that the working class pays as a result of this is obviously very high, both affecting current and future generations.

Just to recapitulate: This two sections thus covered has dealt first with the concept - unemployment - that is a necessary element for capitalist accumulation (reserve army labour) and secondly, that it appears that S .A. will be faced with increasing trend of unemployment.
(1) While it (rand) cheapens exports, it makes imports more expensive.
But S.A.'s major exports constitutes mainly capital goods on which
industrial recovery depends. Should S.A. increase its imports to
stimulate growth the consequences will be inflationary therefore,
the alternative is to limit imports.
Should imports be limited, the industrial recovery process will be
further delayed, since without imported capital goods South Africa's
international competitiveness will decline.

(2) Inflation arising from low, the low rand pushes the economy into a
vicious circle. Should increased in productivity output be smaller
than increases in inflation, then the lower rand will have little
benefit to our exports.

(c) The Falling Gold price in US Dollars terms:
Since February 1983 the price of gold has fallen from $515 an ounce to a
low of plus minus 300$. The gold mining companies have earned large
profits from this fall because they are being paid in rands for the gold
they sell. It may be interesting to note that although the gold mining
companies are earning huge profits, they refuse to advance wage increases
and alter demands of National Union for Mineworkers. The labour disputes
is still in the process of negotiation and there is talk that if their
demands are not met NUM will go on strike.

"The fall in the dollar price of gold also affects S.A.'s balance of
payments (i.e. exports and imports)". Gold comprises approximately
half of S.A.'s exports by value.

Consequently, a major fall in the dollar price of gold means a huge loss
in foreign exchange earnings. Without foreign exchange, imports
essential to economic recovery such as machinery and equipment cannot be
financed.

This again leads to economic stagflation and high unemployment levels.

The above are the same indicators of the country's current economic
recession placed in perspective. Why is it that we say that the government
is guilty of mismanaging the economy? Let's look at some of the factors
which led to the government to out the economic recession, resulting
in the massive unemployment and its associated socio-psychological im-
lications.

What factors are responsible for the governemnt to raise interest
rates and therefore unemployment? Gelb and Innes indicates that the
high level of borrowing in South Africa emanates from the major sources
viz. consumers, companies & government.

(1) Consumers

White South Africans have come to expect high living standards and
there is evidence that a section of the black middle class is fol-
lowing suit. The current inflation rate and unemployment prevent
consumers from saving and therefore to maintain their standard of
living they go borrowing. Borrowing not only stimulates demands
for goods and services but is inflationary. To curb consumer spending,
the government raised interest rates, bond rates and H.P. rates to
extraordinary high levels. The result: overall consumer demands has
These brief section then tried to reflect on the current economical crisis in South Africa and at the same time focus on the causes of unemployment.

4. Other causes of unemployment:

(1) Population and labour force growth rates

These rates have risen over the last three decades especially among the less skilled, poorer sectors of the population. The implication of this is that should the labour force growth rate which emanates from population growth exceeds the rate of job opportunities, unemployment must increase. Improvements in basic health and nutrition standard, increasing urbanisation and better education are factors like to dampen this growth.

(2) Fallen demand of Labour:

What causes a fallen demand for labour (glut in the market) have already been touched on earlier viz. interest rates, exchange rates, decrease in economic growth performance, falling rand, inflation, etc.

(3) Rural Urban migration

This argument basically says that once a substantial gap exists between rural and urban incomes, it will be rational for rural people to migrate to town and be unemployed for some period, while searching for work. What is even more alarming is that some government unemployment policies are intended to reduce urban unemployment but in fact these measures aggravate the situation.

(4) Investment and Technology:

Evidence suggest that S.A. is on the wrong growth path, i.e. capital intensity tends to dominate the economy. The answers put forward in the literature for capital intensity is basically: (i) we import most of our technology which suits economy where labour is not in surplus. (ii) wages are too high and capital costs low. This is brought about by a couple of causes e.g. influx control, job reservation, investment allowances and subsides which encourage capital intensity.

(5) Often additional causes of unemployment in the literature are:

- White control of the political system
- inequality of income distribution
- decentralisation policy and influx control
- under investment in education in general.

What then is the cause for unemployment in South Africa? Where must we begin if we want to tackle the problem? The answer probably lie in a single casual factor but on a complex intervention of all factors mentioned.

(6) IN CONCLUSION:

From the few observations made we should accept that unemployment wherever it arises, constitutes a national problem and should be solved (if ever) in the most effective way. Presenting the "bleu print" on solving unemployment is impossible but what ought to be done in the sphere of job creation which may
were full wage earners in the UK (Rowntree); in 1936 - 43% and in 1960 - 40%.) [Townsend, 1979: Poverty in the UK.]

Poverty and deprivation does thus not only effect the unemployed, but the larger group of working class people at the bottom of the societal scale.

2. It is said that 'society regulates its members' - so too does it regulate the number of unemployed. A society which experiences unabated and escalating unemployment, must certainly be facing a structural crisis, but in the very least reflects a government with biased priorities.

3. Poverty and class - in the same terms, unemployment and class - are closely connected. Hence again it is the working class that experiences/faces imminent unemployment. Capitalist societies structure their population on a hierarchy according to income, status, resources, etc. Unemployment is the effect of such structuring and discrimination. Put the other way around: Discrimination has three principal sources:

(a) the class structure which reinforces differential rewards and privileges according to social status/superiority;

(b) the work ethic - which reinforces the social superiority/status of particular categories of work, or otherwise reinforces the desire to do productive work; and

(c) institutions that maintain the class structure - eg. schools - the more desirable the job category, the more difficult to reach it - eg. medicine, engineering.

In addition to this the South African society is racially stratified and the government serves to protect white privilege and at the same time limit black occupational advancement. This racial division is not only reproduced in the labour market, but also in the provision of social
role as father/head of household/"man in die gemeenskap". To help men cope with unemployment we will have to address a larger role for them in the family setup. [Jennie Popay: Women, The Family v Unemployment in Paul Close v Rosemary Collins 1985.] Very few men assist with the housework or child rearing when they are unemployed. Demythologizing domestic work as women's work would assist in curbing a sense of utter uselessness among men when they are unemployed — though not entirely so.

Many women had distinct problems in adapting to housework when they became unemployed: "A person can't tidy a house all day. Cuttin wasn't interesting but you could see a whole pile at the end of the day." (Irvine, 1984: p 20)

The Single Parent Family, where husbands leave their families to seek work elsewhere emerges prominently with unemployment and places even heavier burdens on women to maintain their family's survival. This quotation pretty much sums up the full extent of mental anguish experienced by an unem-ployed single parent: "Sometimes they (children) lie awake at night crying. I know they are crying because they are hungry. I feel like feeding Ratex. When your children cry hunger crying your heart wants to breaking. It will be better is they were dead ... It's terrible when a mother wants to kill her own children. But what can I do, I'm not a mother worth having." (Irvine 1984; Annexure: p 17)

II The Psychological Impact of Unemployment

It is often said that unemployed workers became depressed, apathetic, frustrated and that these feelings turn into aggression and hostility: a psychologist's dream!

More seriously, numerous studies argue that unemployment has serious repercussions on the mental and physical health or the general well-being of the worker.

1. Hayes (1983) in his accounts of the mental health problems of workers in South Africa concludes: "that the working
(d) Works links people to broader goals and purposes.
- workers are intricately connected to each other
- people are social beings
- work provides the link between the individual person and the rest of society

(e) Work provides activity.
- work fulfills the need to be active
- no matter how much people hate their jobs they often prefer this to the boredom of unemployment.

(f) Work is a source of creativity and mastery
- people take pride in what they produce — and often their work becomes an extention of themselves.
However the nature of work under capitalism alienates and dehumanises workers so that they seldom positively identify with their work or products.

4. Unemployment and Health

Studies in Hayes & Nutman (1981) show:
- higher blood pressure levels; and
- higher levels of uric acid during unemployment (Hayes 1983)

People often feel tired and listless when they are unemployed due to the lack of activity, depression, poor nutrition, etc.

Research has indicated that poor families will cut back on food to make ends meet. This has severe effects on diet and health. Often parents miss meals, so that the children could have more — and this also leads to a general malaise. Mistakenly we think that the unemployed are lazy, without thinking of the effects of poor nutrition and psychological impairment.

Moreover psychological deprivation and unemployment is never an individual problem but becomes, especially so, a family problem.

"Unemployment represents a personal threat to individuals'
(b) Unemployment Workers Union
   - South African Allied Workers Union (SAAWAU)
   - unemployed 20% of workforce - relief fund
   - General Workers Union - keep unemployed in union
     (present scabbing)

(c) Assist in Application/Claims for UIF benefit
    - Advice offices.

(d) Preparing school leavers for unemployment-programs
    run by: CRIC - Careers Resource Information Centre
    ERIC - Education Resource and Information Centre
    Part of the process of coping with unemployment is an understanding of why a person is unemployed. This reduces their sense of usefulness.

(e) The issue of unemployment must be politicised.
    Organize: Rent protests to demand rent relief
    protests at UIF offices to demand efficient administration of relief payments

(f) 'Coping with Stress'-workshops organized by community and psychiatric nurses.
- to increase levels of economic welfare
- to reduce poverty and its ills
- to bring about a reduction in the
  population growth

Tenants in the existing low cost housing schemes would be encouraged to buy homes in Mitchell's Plain. This was partly realised but demolitions in District Six resulted in inhabitants being moved to Mitchell's Plain, regardless of income.

In 1974 the Directors of the Chamber of Commerce saw the desirability of Mitchell's Plain being declared a growth point, because Mitchell's Plain was to close to Cape Town's CBD, this area was turned down. Mitchell's Plain is therefore a dormitory town, with 100,000 commuters working mainly in the city, 27 km away.

THE SALE OF HOUSES
Mitchell's Plain was keenly advertised by the Council and the Housing Sales Company.

Among the slogans used were:

1) "For the better things in life, move to Mitchell's Plain."
2) "Where your children grow up, determines their future"
3) "Low deposits for valuable property."
4) "Every thing you and your family needs is in Mitchell's Plain"
5) "The kind of people who buy are the kind of people you would like to have as neighbours."
6) "A new life for your children who will live free from fear."
7) "No waiting lists, you can move within a week."

The first inhabitants had good things to say about their new homes "We need no longer worry about the safety of our children when they are out playing." "For the first time in our lives we are enjoying real security and freedom from gangs."

People were impressed with the undertaking. Mitchell's Plain was certainly a far cry from the mass housing schemes the Cape Flats residents had grown to despise. The Council was praised for doing something worthwhile. Mitchell's Plain held the promise of being prestige residential area, in fact. The 'Bishops Court' of the 'Coloured' people. Mitchell's Plain had won international acclaim.

Dr. Lewis of the Everite Company claimed that Mitchell's Plain was one of the most advanced housing development in the world, providing a highly satisfactory quality of life to the residents in the area. He found Mitchell's Plain people were happy with life as a whole, with life as a whole, with their neighbourhood, and dwellings, and were a very healthy and stable community. He found that residents rated marriage, religion, family life, house and work as being the most important areas of "life concerns". The fact that the residents these areas highly indicated to him that the community was stable.

I have given an outline of what Mitchell's Plain was intended to be, so that we can evaluate whether the area in fact today as it was intended to be.
deprivations of recession can only accentuate the tensions in marital relationships which so easily erupt into violence.

There is no reason to believe that the situation in South Africa would be different!

Last week the workers doing a survey on unemployment in Beaconvalley and Tafelsig, related that they found that husbands who are unemployed often go out to look for work and then desert their families. Some return home after a few weeks. In the meantime the women were left to fend for themselves. When the women question their husbands as to where they had been, the husbands retaliate by beating their wives. The couple blame each other for the unemployment and hard times. The children are beaten.

Women often say that they feel killing themselves and their children.

One just has to note the number of family killings that have taken place in South Africa, and how they are related to unemployment and economic hard times.

Unemployment, financial problems lead to stress and frustration.

We therefore have to understand what work means to individuals, families and communities.

Without the rewards of work, we cannot survive - we cannot pay rent, electricity, water, cannot buy food, we cannot maintain our families. Work determines what we can or cannot do - whether we marry, buy a house, etc.

It is important that we see the problems of unemployment and family problems in its broader social context, rather than as an individual/personal problem.

When the problems are approached in the broader context, we will try to find solutions on a broader level - e.g. we will try to bring about structural changes. We will do community work. But if the problem is seen as a personal problem, a psychiatrist or counsellor will be called on to deal with the problem.

In conclusion, I would like to list the effects of unemployment on the family and the community (These are not in any particular order)

- Hunger
- Poverty
- Homelessness
- Eviction
- Debts
- Rent Arrears

Loss of status, selfworth, self respect, lost of income, feelings of inadequacy, apathy, insecurity, lack of motivation.

Work-shyness after continually being unsuccessful with a job, breakdown of the equilibrium in the family; disintegration of the family unit (e.g. family homeless, children plaed with various relatives); breakdown in marital relationship:

- suicide feelings
- depression
- helplessness
PEOPLE ONE COULD APPROACH FOR ADVICE

Advice Office Roclands Anglican Church

Advice Office Forum       Hanover Park Town Centre     Ph. 637 2898

FAMSA                    814 Groote Kerk Bld. Cape Town   Ph. 46 7380

SANCA                    23 Checkers Building     Ph. 637 1380

Cape Mental Health Soc.  22 Ivy Str. Observatory Ph. 47 9040

NICRO                    74 Peugot Cres. MP. Ph. 31 0071

SHAWCO                   12th Avenue Kensington Ph. 593 2420

This list has been taken at random, and people could be sent to these places
Workers' movement demands jobs or cash

Bill to ease UIF administration

Changes to unemployment insurance legislation are expected to come before Parliament early in the coming session.

Dr Piet van der Merwe, director general of the Department of Manpower, said a draft Bill to be tabled dealt mainly with technical changes to improve administration of the Unemployment Insurance Fund (UIF) and processes for paying benefits.

Trade unions and other labour experts have been lobbying for changes to the fund for some time.

Political sources said the Government viewed the amendments with some urgency and they were likely to be introduced within the first two weeks of parliament.

During the recent recession more than 40,000 new applications for unemployment benefits have been pouring into the UIF fund each month. In some areas, particularly Johannesburg, long delays in receiving benefits have been reported.

In another development on the unemployment front the Unemployed Workers' Movement this week requested a meeting with the Minister of Manpower later this year to hand over a petition signed by unemployed people.

A statement from UWM said more than 4,000 signatures had already been gathered in the Western Cape and Boland and the drive for more signatures continues.

The signatories demand work or full maintenance from the Government.

A memorandum analysing the causes and effects of unemployment, the Government's response to it and making proposals for improving the situation and shifting the burden of unemployment from the workers to those responsible for it will be sent to the Minister in March.
Time runs out as Mervyn awaits aid for retrenchment

Mervyn Abrahamse paid into Unemployment Insurance Fund (UIF) every month for 30 years. But he is still waiting for aid from the Department of Manpower after being retrenched last year.

"I have been to them about six times," he told The Star.

"After four months, I was still not on their computer and my savings had run out."

Mr Abrahamse said he was desperate.

"The Electricity Department will cut off the water and lights supply any day now, the rent is due, my wife requires medical treatment and food has to be purchased for my family to survive," he said.

"My wife looks after some children for their mothers every day and that brings in money. But I’ve had to borrow money from relatives and the debts are just building up."

RETRENCHED

Mr Abrahamse was working as a radio technician in September when the firm closed down a number of branches and he was retrenched.

"I went to the Department of Manpower and signed on at the beginning of October. And only last week was my name finally put on computer."

"You cannot get paid if you don’t have a computer print-out," he said.

He was not the only person in this dilemma—other people he had queued with at the Department of Manpower were also experiencing delays.

"You’re supposed to get your money when your card’s been signed three times. But mine’s been signed about six times and I’ve had nothing."

The Department of Manpower could not be contacted for comment at the time of going to press.
R3.25-million deficit recorded by UIF

PARLIAMENT — The Unemployment Insurance Fund ran up a R3.25-million deficit in 1984, according to the Auditor-General’s report on the Appropriation and Miscellaneous Accounts for the year, tabled in Parliament. This deficit was, however, less than the 1983 shortfall of income over expenditure of R25-million.

In the three years before that, from 1980 to 1982, the fund ended in the black.

The report shows that contributions to the fund rose from R126.2-million in 1982 to R147.2-million in 1983 and R173.8-million in 1984.

The number of approved applications for benefits or payments to dependants was 252,623 in 1982, 314,497 in 1983 and 309,878 in 1984.

Since the 1983 report, “a further six officials and four members of the public” had been found guilty of theft of benefits totalling R60,515.

“In addition, the investigation of nine cases of alleged misappropriation involving R181,109, including three cases involving R86,387 which were discovered during the current financial year, had not been finalised at the time of writing this report,” said the report. — Sapa.
Jobless rate hits record level

UIF pays out R1m a day in benefits

BENEFITS to unemployed cost the Unemployment Insurance Fund R1m a day last year, Manpower Director-General Piet van der Merwe told Business Day yesterday.

Last month the registered jobless total reached a record 127 000 (73 693 in January last year) when 16 000 were added to the total of registered unemployed people.

Van der Merwe said that he hoped the rate of increase in unemployment would start to slow down but this would depend on the extent to which the economy crept out of recession.

All indicators pointed to a positive growth rate this year, he added.

"We don't expect the numbers to decrease, but the hope is that the situation will stabilise," he said, especially when it was taken into account that up to 300 000 new work-seekers came onto the labour market every year.

The financial burden had been relieved by increasing employers' contributions to the fund from 0.5% to 7%, and employees' contributions from 0.5% to 0.7%.

The annual earnings ceiling for membership of the fund had also been raised from R21 600 to R25 000 a year.

It remained to be seen whether further government assistance would be needed to supplement the UIF.

Last year the State's contribution amounted to R75m.

Van der Merwe said that between 25% and 30% of the 100 000 who had already completed one of the department's training courses had found work almost immediately.

AECI maintains div
did not receive as many free tickets through a grower-captains, now operating 8 am to 12 pm.

Also access to the card of the future now. Tailored capital secure debit card and let Cashman do the asking.
Call for a medical aid scheme to help the unemployed

PARLIAMENT — The House of Delegates has called on the Government to change legislation governing medical aid schemes in order to help the unemployed.

A motion led by Mr M Naranjee (NPP, Mariannhill) calling for the amendment of medical aid legislation was carried almost unanimously yesterday.

Mr Naranjee said that when employees were retrenched or fired, they lost the assistance of the medical aid schemes to which they had been contributing.

To help counteract the problem, a national medical aid scheme along the lines of the Unemployment Insurance Fund should be created, he said.

Mr Pat Poovalingam (Solidarity, Reservoir Hills) agreed, saying there was no reason why some of the money generated through General Sales Tax should not go towards funding such a service.

The Minister of the Budget, Mr J N Reddy, suggested that legislation be amended so that former employees could continue to benefit from medical aid schemes for a reasonable length of time after their employment had been terminated.

The Minister of Health and Welfare, Mr Ismael Kathrada, argued that the differences between the various medical aid schemes that should first be examined before any steps were taken.

The Minister of National Health and Population Development, Dr Willie van Nierkerk, pointed out in his reply to the motion that a medical aid scheme was actually a form of insurance whereby the employer paid a percentage of the fee.

However, there existed schemes to which an individual, whether employed or not, could contribute privately.

The differences between the 212 schemes in the country had come about because the schemes had originally been developed by the various companies as perks for their employees. However, he agreed there should be greater uniformity.—Political Staff
'Take the job or lose your UIF'

By NUDINI MAIVRA

WHEN Daveyton’s Willie Makgelemele turned down a dud job from the Manpower Department, he didn’t think much of it. But his refusal rebounded on him – the department is now refusing to pay him his Unemployment Insurance Fund money.

"It doesn’t seem to matter to them that the new job only paid R80 a week," said Makgelemele, who lost his R700 a month job with Food and Nutritional Products in June.

Makgelemele – who applied for UIF last December 28 – was "offered" the new job by a woman at the UIF offices.

He told City Press he turned down the job because the wages weren’t "competitive".

"I wasn’t there to look for a job – I was there to apply for money," said Makgelemele.

The woman stated in my application form that I had refused to take up a job," said Makgelemele.

When he went back on December 27, he received their reply:

"Don’t take the job and you don’t get UIF." He said the Manpower division in Johannesburg told him it had turned down his application because he was "not capable of – or available for – work".

Makgelemele
No work, no UIF
More jobless ‘than Govt figures show’

By FRANS ESTERHUYSE
Parliamentary Staff

GOVERNMENT statistics for black unemployment were wrong and the Government knew this, the Assembly was told.

Mr Andrew Savage (FDP Walmer) warned that the plight of unemployed blacks under present-day economic conditions did not encourage them to support the free-enterprise system.

He raised the issue in the House of Assembly during yesterday’s second-reading debate on the Unemployment Insurance Amendment Bill.

Mr Savage said black people were largely excluded from participation in the Unemployment Insurance Fund.

Unemployment statistics for black people were virtually non-existent.

Government figures on black unemployment had been described by an academic as “not worth the paper they are written on”.

One estimate was two million unemployed, including those in the independent states, at a time when the official figure for registered unemployed was 45,000.

His argument was rejected by Mr Willem Landman (NP Carletonville), who said it was “absolutely untrue” that blacks were excluded from unemployment insurance benefits.

Mr Landman added it was the task of the worker to ensure he was registered as unemployed and that he was entitled to benefits.

Mr Pat Rogers (NRP King William’s Town) accused Mr Landman of making “sweeping statements”.

All black farm workers were in fact not entitled to unemployment insurance benefits because their employers did not contribute to the UIF.

Farmers were worried about the lack of social security for their workers, especially after the drought, Mr Rogers said.

In brief...

PARLIAMENT standing committees should be open to the public, Major Reuben Sive (PPP Bezuidenhout) said today.

Speaking in the second-reading debate on the Statistics Amendment Bill, he said these committees performed important functions and their work should be seen to be done.

THE Minister of Transport Affairs, Mr Hendrik Schoeman, has agreed to investigate allegations that a private meeting of a railway workers’ union was bugged.

Replying to the committee stage of the transport budget, Mr Schoeman said he was not aware that a private meeting had been bugged and he was not in favour of such behaviour.
Savage scorns Govt's black jobless figures

Political Staff

PARLIAMENT — Government statistics for black unemployment were wrong and the Government knew this, the House of Assembly was told yesterday during the debate on the second reading of the Unemployment Insurance Amendment Bill.

Mr Andrew Savage (FFP, Walmer) warned that the plight of unemployed blacks in present-day economic conditions did not encourage them to support the free-enterprise system.

Mr Savage said black people were largely excluded from participation in the Unemployment Insurance Fund.

Unemployment statistics for black people were virtually non-existent and Government figures on black unemployment had been described by an academic as "not worth the paper they are written on."

The official statistics, for example, did not include the independent black homelands to which unemployed black people could be sent from South Africa.

One estimate was that there were two million unemployed including those in the independent states, at a time when the official figure for registered unemployed was 45 000.

This argument was rejected by Mr Willem Landman (NP, Caledon) who said it was "absolutely untrue" that blacks were excluded from unemployment insurance benefits.

Mr Landman added that it was the task of the worker to ensure that he was registered as unemployed and that he was entitled to benefits.

Mr Pat Rogers (NRP, King William's Town) accused Mr Landman of making "sweeping statements."

Black farm workers were, in fact, not entitled to unemployment insurance benefits as their employers did not contribute to the UIF.

Mr Rogers appealed to the Government to investigate the issue of black unemployment and to introduce an interim measure enabling black farm workers to be included in the unemployment insurance scheme.
Rising unemployment drains fund

UIF paid out more than R300m in 1985

SA's growing number of unemployed cost the Unemployment Insurance Fund (UIF) more than R300m last year, according to Unemployment Insurance Commissioner Jack Scheepers.

During the first three months of 1985, the fund's expenditure exceeded income by about R16m a month.

The demands gradually increased because of continued recession, until by September-October, the claims paid exceeded income by between R14m and R15m a month.

During the year, the fund's investments plunged from R242m to R119m.

GERALD REILLY

Had it not been for the R75m allocated by government to meet the increasingly heavy demand caused by rising unemployment, the UIF would have suffered a further serious drain.

The number of beneficiaries last year reached a record figure of 425,000. They received more than R300m in benefits.

This compared with 308,800 beneficiaries who received R193,9m in 1984.

Scheepers said higher contributions from employees — from 0.5% of income to 0.7% — and the raising of the income ceiling for benefits from R21,600 to R28,000 a year, were expected to increase the fund's income by between R18m and R11m a month.

"With investment assets of R133m and what remains of the government's R75m grant, together with the increased income, we should see the year out without having to sell off any more of our investments," Scheepers said.

Economists pointed out that the number of unregistered unemployed who did not qualify for benefits could be as high as 1.5 million. The growing number of new workers coming on to the labour market every year — estimated at about 300,000 — also had to be taken into account.
'UIF could fail to keep pace' 31/3/86

Political Staff

PARLIAMENT — Warnings have been given in Parliament that the Unemployment Insurance Fund (UIF) could fail to keep pace with growing demands for assistance from jobless people.

Mr Andrew Savage (FFNP, Walmer) told the House of Assembly that in the past five years, with an almost static economic growth rate, the number of jobless had increased by more than a million.

Under present circumstances the Unemployment Insurance Fund (UIF) did not have a chance of keeping ahead of demands for assistance, he said.

The unemployment issue was raised during yesterday's second-reading debate in the House of Assembly on the Unemployment Insurance Second Amendment Bill.

Mr Savage said the Bill would empower the Director-General of Manpower to raise loans for the UIF from private institutions.

This could be done in the event of Parliament being unable to appropriate money.

Describing it as a very far-reaching step, Mr Savage said the move called for an examination of the Government's handling of the economy.

The number of unemployed applying to the fund for assistance depended on the Government's ability to manage the economy for growth.

In the past five years the growth rate had averaged 0.82 percent instead of the five percent proposed by the economic development programme.

Resources needed by the fund were in direct ratio to the number of unemployed.

The Government's failure to establish a healthy economic environment resulted from its failure to appreciate that a free enterprise system could not function in an unfree society.

The Government also failed to appreciate that politics and economics were "totally interdependent".

"The result of this failure was most visible in inflation and unemployment," he said.

Mr Frank le Roux (CP, Brakpan) said the real problem was not apartheid, but a lack of confidence in the Government. This was the basic reason for the deterioration in the economy.

"Rejecting the opposition criticism, Government speakers argued that the National Party did not control South Africa's economy, that unemployment was also high in many countries abroad, and that any State interference in the economy would amount to socialism."
Political Staff

WHILE civil service employees were complaining of salary increases that were nearer 20 percent than 10 percent, private sector employees were being dismissed by the hundreds of thousands, the MP for Walmer, Mr Andrew Savage, said yesterday.

And, he added, these people were approaching the Unemployment Insurance Fund at a rate of 60,000 a month.

Speaking during the second reading debate on the Unemployment Insurance Second Amendment Bill, Mr Savage said that a range of initiatives were being taken by informal and formal bodies “grown desperate in the face of government ineptitude”.

Industry and commerce were using political scientists and economists to develop constitutional alternatives.
UIF ‘could fail to meet needs of jobless’

By FRANS ESTERHUYSE
Parliamentary Staff

WARNINGS have been given in Parliament that the Unemployment Insurance Fund could fail to keep pace with growing demands for assistance from jobless people.

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The Government’s failure to establish a healthy economic environment resulted from its failure to appreciate that a free enterprise system could not function in an unfree society.

The Government also failed to appreciate that politics and economics were ‘totally interdependent’. The result of this failure was most visible in inflation and unemployment.

Apartheid burden

‘Unemployment is a symptom of our failure to expand the economy,’ Mr Savage said. ‘Apartheid is not a recipe for cheap labour and white opulence, but a burden which no economy can carry and no society can tolerate.’

Mr Frank le Roux (CP Brakpan) said the real problem was not apartheid, but a lack of confidence in the Government. This was the basic reason for the deterioration in the country’s economy.

Mr Louis Stofberg (HNPS Isandlwana) asked the Minister of Manpower, Mr PTC du Plessis, what plan he had to save the UIF while the Government continued to “plod towards a banana republic”.

CLAIRWOOD
Pledge from Minister on UIF payouts

PARLIAMENT — The Minister of Manpower, Mr P T C du Plessis, has given an assurance that everything possible is being done to prevent delays in paying unemployment insurance benefits.

Replying in the Assembly debate on the Unemployment Insurance Amendment Bill, he also said the whole issue of including farm workers in the Unemployment Insurance Fund (UIF) was receiving attention.

Mr du Plessis rejected opposition criticism that black people were largely excluded from the UIF.

He said there was no provision in the Unemployment Insurance Act to exclude people from the fund on the grounds of race or sex.

Opposition claims that blacks were excluded were, therefore, untrue.

NOT RACIST?

Mr Andrew Savage (FFP, Walmer) asked the Minister to say how many blacks had received unemployment insurance benefits compared with other population groups.

Mr du Plessis said his department was not racist-oriented and did not keep statistics on the basis of colour.

Mr Roger Hulley (FFP, Constantia) asked why then certain questionnaires from the department requested the race of respondents.

The Minister repeated that the Act did not provide for the payment of benefits on the basis of colour.

He accused the opposition parties of trying to drag race politics into unemployment matters.
Borrowing the dole

Government was warned this week that raising loans from private institutions to help bolster the Unemployment Insurance Fund (UIF) would not solve the unemployment problem. Speaking in Parliament, Progressive Federal Party MP Andrew Savage said the UIF does not stand a chance of keeping ahead of demands for assistance until the political causes of unemployment are addressed.

Savage was responding to a government move to amend the Unemployment Insurance Act to allow the Director-General of Manpower to raise loans in the private sector if Parliament is unable to appropriate the necessary funds.

Borrowings may not exceed the total of the UIF's accumulated funds.

The amendment is in line with a special sub-committee's recommendations which were accepted by the Unemployment Insurance Board and government.

Savage says the "far-reaching step" must be seen from two angles: government's handling of the economy and the administration of the UIF.

He said the number of jobless depends on government's ability to manage the economy for growth. Over the past five years GDP growth averaged only 0.82% instead of the 5% or so projected by the Economic Development Programme.

In the past five years the number of jobless has increased by more than 1m. "No ability to borrow from the private sector will enable the UIF to cope with this, particularly when inflation is running at 20%. The solution does not lie in measures to give the fund access to easy credit. Claims against it have been increasing by 60 000 a month.

"The solution lies in dealing with those matters that inhibit economic growth and create unemployment," Savage said.

Of the UIF itself, he said the ability of the Board to forecast does not give cause for confidence. The UIF's assets had dropped nearly 50% in a year. Employers' contributions had been pushed up by 233% and employees' by 40% "in one hit".

Last year, the UIF was paying out a monthly average of just over R9m more than it was receiving in contributions. Towards the end of the year the figure rose to nearly R15m.

Manpower Minister Pietie du Plessis says the situation has improved, thanks mainly to the increased contributions. The shortfall of contributions to payments in the first two months of 1986 was only about R5m.
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UIF sees no cash flow problems

CHRIS CAIRNCROSS

THE Unemployment Insurance Fund is in no danger of cash-flow problems yet, according to UIF commissioner Jack Scheepers.

This is in sharp contrast to the situation during much of 1985 when demands on the UIF led to monthly expenditure regularly exceeding revenue by R12m to R15m.

To counter this the UIF Board decided to increase the level of contributions from December by raising the maximum earning rate from R21 000 to R26 000.

"It seems to us that this increase has so far been sufficient to stabilise revenue with expenditure," Scheepers said.

He noted that demands on UIF resources were about the same level as during much of last year — the monthly outflow amounting to between R22m and R25m.

Income had generally been able to match this and there had been no need to consider liquidating any UIF investments. These amount to R133m.

The UIF had, in addition, between R20m and R30m in cash.

"We have also not had to draw on these resources," Scheepers said. It appeared, therefore, that UIF resources were unlikely to come under the sort of strain of last year — unless unemployment continued to rise significantly.
**UIF paying out more**

PARLIAMENT — The Unemployment Insurance Fund paid out R25 123 853 last year, compared with R15 904 092 in 1984, while its investments and available cash dropped to the lowest point in five years, the Department of Manpower’s annual report said yesterday.

The number of applications for UIF payments also increased last year from 303 878 in 1984 to 425 730. The fund paid out R219 430 664 in unemployment benefits to 304 905 applicants in 1986, compared with R104 906 618 to 286 125 in 1984. Payments for illness, maternity leave and dependents made up the rest of the amount.

Investments and cash brought the amount available at the end of last year to R149 006 002, the lowest in five years.

Sapa.
UIF pay-out R325-m to 426 000 workers

THE Unemployment Insurance Fund paid out R225 133 893 last year, compared to R185 961 492 in 1984, while its investments and available cash dropped to the lowest point in five years.

According to the annual report of the Department of Man-power the number of applications for UIF payments also increased last year, from 363 870 in 1984, to 426 136.

BENEFITS
The fund paid out R219 430 660 in unemployment benefits to 304 992 applicants in 1985, compared to R104 793 618 to 186 192 in 1984.

Payments for illness, maternity leave and dependants made up the rest. — Sapa.
Big increase in state relief payouts in PE

PORT ELIZABETH. — The plight of families in this city through unemployment and poverty is reflected in the dramatic increase in state relief payouts for food.

Private charity organizations, too, are under increasing pressure to meet the need for food amid all races.

For whites alone, the value of state food-voucher payments made between March last year and April rose by almost 500 percent, from R6,541 to R38,086. The number of people to benefit increased from 313 adults and children to 1,290, according to figures from the Department of National Health and Population.

The relief scheme administered for the House of Representatives showed an increase of 3,902 percent in the number of food vouchers issued between October and April, from R325 to R8,395.

In this period, 345 families received vouchers to support 625 children under the age of 10 and 701 adults.

Department spokesmen said state aid had increased dramatically as people in dire need became aware of the relief schemes. Likewise, charity organizations are facing demands for food which some of them are not geared to handle.

The PE Charity Organization is at present distributing food parcels fortnightly to about 181 African and coloured families, as well as helping white and individuals of all races, despite being geared to handle an "ideal" number of 50 families, says the secretary, Mrs Jeanine Kromhout.

Mrs Kromhout said there had been an alarming increase in the number of white, unemployed middle-aged men seeking aid.

A supervisor at the Child Welfare Society, Mrs Renche Senekal, also reported an increased need for food parcels. However, whites were mainly assisted with the payment of rent and electricity bills.

A spokesman for the Department of Welfare Services and Pensions, said that people without an income were eligible for food vouchers. Included were unemployed or sick people awaiting some form of state aid, families without a breadwinner and deserted persons.

Vouchers were often issued as a holding measure before an unemployed person received a disability grant or when unemployment insurance funds (UIF) payments ended.

Vouchers could only be used at a supermarket or shop appointed by the department in suitable areas which, although burdened by paperwork, benefited from increased sales and profits.

The manager of the North East supermarket charged with administering the scheme for all three welfare departments said most food vouchers received ranged between R35 and R100 in value.

While conditions laid down for whites allow a greater freedom of choice, coloured and Indian people were more restricted in their purchases. Indian people, for example, were limited to a choice of 20 foods for those aged 10 and older and nine basic foodstuffs for children under 10.
Government’s jobs plan aids 500 000

By PETER FABRICIUS, Parliamentary Staff

More than half-a-million unemployed have benefited from the Government’s special work creation programme.

Another 297 000 are currently in service.

These figures were given by the Minister of Manpower, Mr P T du Plessis, in the House of Representatives during the debate on his budget vote.

More than R300-million had been allocated to the work creation programme and R90-million for job training for unemployed.

By the end of March 253 168 people had received training. A quarter of these had found jobs immediately afterwards.

Others got work as private contractors and a few had set up in business with the help of the Small Business Development Corporation.

The training courses were from one to three weeks in 180 different jobs, ranging from building assistants to programmers.

The main aim was to give a basic temporary income in these difficult times. But it had had side-effects such as reducing the unrest and beautifying the environment.

The programme would continue this financial year, with a total budget of R235-million.

Mr du Plessis said that the number of registered unemployed of all races had shot up from 58 000 in June 1984 to 160 000 in February this year, before a slight decrease in March.

But Mr Fred Peters (LP Silvertown) said the unofficial figure was probably between 2,5 and 3,5-million.
An additional R250,000 allocated to the Department of Education and Culture to provide jobs for the unemployed would not be restricted to whites only, the Minister, Mr Piet Clase, said yesterday.

A request by Mr Daan van der Merwe (CP Risik) that because the money was a "white own affairs" allocation, preference should be given tojobless whites, was reasonable. — Sapa
Blacks could benefit from unemployment aid scheme

CAPE TOWN — A relief scheme for unemployed whites, Indians and coloured people may be extended to blacks.

Mr Leslie Davados, general secretary of the Engineering Industrial Workers' Union, said Mr Timno Bezuidenhoud, regional director of the Department of Co-operation and Development, had promised to discuss this with his head office in Pretoria.

The scheme was started last October to help people whose unemployment insurance fund (UIF) benefits had run out.

Social relief schemes did not fully serve their purpose — especially where people were unemployed for long periods.

Families get R194 per adult and R49 per dependent child monthly. This can be in addition to unemployment benefits, but relief payments are reduced when a family is drawing from the UIF.

Mr Davados said the union was concerned that the scheme did not apply to blacks, often out of work longer than other groups.

"Times are hard. We seem to spend much of our time arguing with firms about retrenchment packages and we can't find new jobs for them," he said. — Own Correspondent.
Relief for jobless blacks investigated

Labour Reporter

A RELIEF scheme for unemployed whites, Indians and coloureds may be extended to blacks.

The secretary of the Engineering Industrial Workers' Union, Mr Leslie Davadoss, said he had been promised by Mr Time Bezuidenhoud, regional director of the Department of Co-operation and Development, that he would discuss this with his head office in Pretoria.

The relief scheme was started in October last year to help workers whose unemployment insurance fund (UIF) benefits had run out.

It was found that existing social relief schemes did not fully serve their purpose especially where, because of lack of job opportunities, people were unemployed for long periods.

The scheme pays R184 an adult and R9 for a dependent child a month to a family. This can be in addition to unemployment benefits, but relief payments are reduced when a family is drawing on the UIF.

Mr Davadoss said the union was concerned that the scheme did not apply to blacks as they were often out of work longer than other groups if they lost their jobs.

"We saw Mr Bezuidenhoud on Monday and he promised to investigate."
Relief may extend to blacks

A RELIEF scheme for unemployed whites, Indians and coloureds may be extended to blacks.

Engineering Industry Workers' Union (EIWU) secretary Desie Davadoss said he had been promised by Department of Co-operation and Development regional director Timo Benuidenhoudt that he would discuss this with his head office.

The relief scheme was started last October to help workers whose Unemployment Insurance Fund (UIF) benefits had run out.

It was found existing social relief schemes did not fully serve their purpose, especially where people were unemployed for long periods because of lack of job opportunities.

The scheme pays R164 an adult and R40 a dependent child a month to a family. This can be in addition to unemployment benefits, but relief payments are reduced when a family is drawing on the UIF.

Mr Davadoss said the union was concerned that the scheme did not apply to blacks because they were often out of work longer than other groups if they lost their jobs. — Sapa.
Jobless payouts jump 25% 

GERALD HEBLY 

UNEMPLOYMENT insurance (UIF) benefits paid out in the first quarter of the year increased by 25% to a record high of R31m. 

And unemployment continued to rise with more applications to the Unemployment Insurance Fund. 

In January these amounted to 35 500 (31 000 in January 1988); in February 36 000 (33 000); and in March 33 000 (35 000). Benefits paid out in the first quarter of last year amounted to R9.3m compared with this quarter’s R31m. 

The Unemployment Insurance Commission’s Jack Scheepers said the fund had strengthened and stabilised. 

He said the total amount in the fund at the close of last year was R149m including investments and cash. 

By the end of April that had increased to R176m.
President to get powers to
deregulate economic activity

Political Staff

CAPE TOWN — A joint Committee of Parliament has agreed that President Botha should be given substantial powers temporarily to remove restrictions on economic activities.

However, following representations from both labour and business, the committee has recommended to Parliament that some of the provisions of the Temporary Removal of Restrictions on Economic Activities Bill should be tightened up.

The most significant of these was that there should be no suspension of the payment of contributions to the Unemployment Insurance Fund or the Workmen’s Compensation Fund.

The committee has also recommended that:

● Any changes should first be published in the Government Gazette to enable interested parties to make representations before they are finalised.
● The bill should be divided into two parts with issues dealing with labour being separated and that the Minister of Manpower should be consulted by the President on any issue affecting labour;
● The professions be added to the list of bodies which may be affected by deregulation;
● No agreement existing between an employee and employer before a regulating agreement was proclaimed could be affected.

In a report tabled in Parliament the joint standing committee of the three houses found there was “a great need for deregulation in order to create economic opportunities for people, bring about competition and create job opportunities.”

The deregulation would best be achieved by granting special powers to the State President as it “could not be accomplished by means of the usual legislative/regulatory” means.

The committee said there would be sufficient Parliamentary control on the President.

The report said organised trade and industry and other bodies had welcomed and supported the legislation but felt there should be consultation before measures were adopted.

There were however organisations, especially in the labour field, which opposed the measure.

“In most cases they saw the provisions of the bill as interfering with sound labour practices and relations, which they felt had been built up over years. “Fears were expressed that the hard-won rights of workers in respect of working conditions, workmen’s compensation and unemployment insurance would be adversely affected.”
State may step up aid to needy

Post Reporter

INCREASED monthly allowances for people receiving aid from the
Government's Social Relief Scheme will probably be introduced in October.

Announcing this in Port Elizabeth last night, the
Minister of Health Services and Welfare, Dr G de V Morrison, said he
would instruct his department to investigate the
possibility of a portion of the allowances being paid in cash rather than in the
form of purchase orders.

Speaking at a Press conference after a one-
day fact-finding visit to
the city, Dr Morrison said that although the plight of
unemployed and impover
ished whites in Port
Elizabeth was "serious", it had not reached crisis
proportions.

"There is no reason for
panic," he said.

"I was field talks with
representatives of var-
ious welfare organisa-
tions and they have as-
sured me that the
situation is far from di-

sasterss." Relief is being provided to 877 adults and children over the age of 10 and 302 children under the age of 10 in Port Elizabeth. Adults receive aid amounting to R164 a month each, while child-
ren under 10 receive aid amounting to R49 a
month.

Dr Morrison held dis-
cussions yesterday with
the Mayor of Port Eliza-
abeth, Mr Ben Olivier, sev-
eral local MPs, the chair-
man of the Regional Welfare Board for the
Eastern Cape, Mr Paul
Kruger, and representati-
vies of the ACV, CMR
and Child Welfare
Society.

He also visited several
projects which have been
introduced to improve the
skills of unemployed
people, but did not hold
personal interviews with
people currently receiv-
ing aid.

He said he was struck
particularly by the fact
that while the lower in-
come groups were "suf-
fering the most", a num-
ber of middle-class
residents were now also
in need of aid.

"Unemployment, cou-
pled with the burden of
monthly bond repay-
ments on properties, have
placed white collar work-
ers in an unenviable posi-
tion," he said.

"Not only are they un-
able to support their fam-
ilies, they are in danger of
losing their homes."

Last month the Depart-
ment of Health Services
and Welfare paid out
R37,200 in Port Elizabeth
under the Social Relief
Scheme and R58,935 to
336 adults and 82 children under the scheme for the
unemployed
Builders' benefit fund drying up

By Frank Jeans

The recession in the building industry has hit the organisation which looks after workers' benefits.

The Industrial Council for the Building Industry said today it has drawn up a new set of unemployment payout rules.

The council normally pays unemployment money for up to a year. Its current monthly payout is about R500 000, far above the previous highest level during the building slump of the late seventies when the norm was R20 000.

Under the new rules, unemployment money will be paid for a maximum of nine weeks.

Mr. Wynand Stapelberg, general secretary, says: "Because more men are idle as a result of the slump, the monthly unemployment payout has eroded our reserves."

The council has also altered its medical aid scheme.

"Instead of the 100 percent medical aid benefit, apart from hospitalization, we will now pay 80 percent," says Mr. Stapelberg.

He said the holiday fund pay-out will not be interrupted.

Mr. Bob Zylstra, president of the Building Industries Federation, says: "These are the times we live in."

"We are thankful the Minister of Finance has put so much money into low-cost housing and depending on how soon this money can be injected into the system, this should brighten the picture."

It is estimated there are 40 percent fewer building workers than there were in 1984.

The labour fall in the Transvaal is about 30 percent, representing a drop from 170 000 workers to 130 000.
Municipal Report

BECAUSE of the volume of work, the Cape Town office of the Department of Manpower was unable to reduce the six to nine-week wait between an application and the first unemployment benefit payment, the department replied to a request by the City Council's housing committee that benefits be paid more promptly.

The committee was concerned about increasing arrears in council housing schemes. Delays in unemployment benefits and the lack of a pay-point in Mitchell's Plain were among the difficulties tenants faced, the housing committee was told.

The Executive Committee subsequently agreed to lease two houses in Beacon Valley to the department rent-free for six months.

* The housing committee was to meet today to discuss the department's response.
City Council member said a new UPLI program, which will be open in September, will provide insurance for such situations. Staff and representatives of the insurance companies involved have asked the council to consider the benefits of such a program.

The council has already approved a proposal to provide insurance for low-income families, but it has not yet decided whether to extend the program to include all families.

Members of the council were concerned about the cost of such a program, but they also recognized the need to provide insurance for families who may not otherwise be able to afford it.

The council will consider the matter further at its next meeting.
350 have grievances over UIF payouts

Municipal Reporter

A DELEGATION from the Lotus River Grassy Park (Logra) advice office yesterday handed in a petition concerning Unemployment Insurance Fund (UIF) payouts to the Department of Manpower.

Advice office worker Ms Charlene Houston said 350 unemployed people had signed the petition at the Southfield UIF payout point.

Grievances included the remoteness of the Southfield payout point, the "inadequate" size of the office, the fact that payouts were by cheque which some found difficult to cash, the various penalties imposed and the amount of payments.

Three unemployed people accompanied the delegation to the Thomas Boydell Building and were allowed in but were eventually asked to wait outside an office.

Mr du P Marais, divisional inspector of the Department of Manpower, Cape Town, said it was the first time he had received such complaints.

Payouts were by cheque as the computer could then do the whole task, and because cash could be stolen, he said.

"An Act of Parliament would have to be amended to increase the proportion of one's former salary paid out, to a figure higher than the present 45 percent," Mr Marais said.

Mr Marais said he would discuss the grievances and bring at least some of them to the attention of the UIF Commissioner, Mr Jack Scheepers.
UIF reports more people assisted

HOUSE OF ASSEMBLY. — The seriousness of the unemployment situation in South Africa was emphasized yesterday when the Unemployment Insurance Fund reported an increase of more than 40 percent in the number of people the fund was assisting last year. The fund, whose 1986 report was tabled yesterday, said 456,136 applications for benefits were approved last year, compared to 303,870 in 1984 — an increase of 152,260.
UIF paid R147 million more than receipts

Political Correspondent

PARLIAMENT — The Unemployment Insurance Fund deteriorated sharply last year, paying out nearly R147 million more than it collected.

However, with a substantial increase in levies and a cash injection from the Government, the fund was expected to stabilise this year despite the recession.

By the end of December 1985, the fund was left with R157 million compared with R250 million the year before, according to its annual report tabled in Parliament yesterday.

Income totalled R217 million (R206 million in 1984) while benefits paid out rocketed 75 percent to R364 million (R208 million).

The R157 million left in the fund at December 31, 1985, was equal to less than half the total benefits paid out during the year.

Progressive Federal Party spokesman on Manpower, Mr Peter Gautret, warned today that the UIF provided only temporary relief for a very small section of the unemployed.

Mr Harry Schwarz, PFP spokesman on finance, said the fund did not cater adequately for all sectors. South Africa should overhaul provision for unemployment.
Identification call to banks over UIF cheques

By Sheryl Raine

Johannesburg’s divisional inspector of manpower has appealed to banks and businesses asked to cash Unemployment Insurance Fund (UIF) cheques, to demand identification from the person cashing the cheque.

Mr F Beyers made this appeal following isolated reports of benefits cheques being cashed fraudulently.

Two women who claimed maternity benefits from the UIF approached The Star recently saying their cheques from the Department of Manpower had gone astray in the post and had been cashed by someone else.

Mrs Myra Matshaba of Diep-koof said she applied for maternity benefits early this year and received her first cheque for R722,00 in April.

“Another cheque was due to me. I waited for about two months before going back to the department only to find that my cheque for R1,230 had been cashed at a sportswear shop,” said Mrs Matshaba.

“The signature on the back of the cheque was not mine. Someone had signed E M Matshaba — my initials are M E.”

Mrs Nadia Hendricks of Newclare applied for maternity benefits in May and received her first cheque for R1,020 through the post on June 23.

“My second cheque for R760 failed to arrive,” she said. “When I went back to the department I found a person called Nathan Hendricks had cashed the cheque at Barclays Bank in Germiston. He had just printed this name on the back.”

The department has opened fraud investigations.

“The number of cheques which go astray or are fraudulently cashed is very small,” said Mr Beyers. “We in the southern Transvaal inspectorate issue approximately 30 000 for UIF benefits every month. For July we had 30 reports of cheques going astray.

IDENTITY NUMBER

“On every benefits cheque issued by the department, the correct identity number of the beneficiary appears. Anyone asked to cash such a cheque should request positive identification.

“IT is in the interests of banks or businesses to ensure that a cheque is not being cashed fraudulently. The Reserve Bank will not honour cheques cashed fraudulently and the bank or business which cashed the cheque will be the loser in the end.”
DEMANDS on the Unemployment Insurance Fund (UIF) were flattening out, Manpower Director-General Piet van der Merwe said in Pretoria yesterday.

He told Business Day that for the past few months the fund's income, boosted by higher contributions from employers and employees from the beginning of the year, had exceeded the amount paid out in claims.

Referring to recent assessments of the total unemployment in SA, Van der Merwe said the claim that there were 6-million workless was patently absurd.

A Unisa market research estimate of 1.7-million unemployed, including the TBVC countries, was a far more realistic assessment.

Van der Merwe said in May the total payout in unemployment benefits was about R22m. The level was much the same for July.

Registered unemployed in June totalled 128 000, slightly down on May's 132 000 and April's 135 000.

Van der Merwe appealed to employers to give preference to SA blacks — as against foreigners — when jobs were being filled.

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Weekend Argus  
Correspondent  
DURBAN.—People who draw unemployment insurance can find their government cheques subjected by banks and building societies to a clearance period of up to 14 days.

The main reason is that rising unemployment has led to a dramatic increase in cheque frauds. To combat this, financial institutions have introduced clearance periods, and sometimes refer the cheques back to the Department of Manpower.

Some unemployed people have said it is “almost impossible to come out financially” while they are waiting for their cheques to be cleared, and have asked why a special dispensation for UIF cheques cannot be introduced.

Mr. Francois de Villiers, chief spokesman for the Department of Manpower under whose jurisdiction the UIF falls, agrees the long wait was “bad news” for the unemployed.

“However, there is nothing we can do once the cheque is out of our hands,” he says.

Precautions

The president of the Housewives’ League, Mrs Lyn Morris, says: “A government cheque has been as good as cash in the past. I feel the Government should tighten control over fraud or introduce some other method of payment, especially for UIF benefits.”

Although banks and building societies are sympathetic, they say they have lost thousands of rands through fraud involving private and government cheques in recent months. Precautions have been introduced as a result.

“Government-originated cheque payments have always been prone to a higher-than-average risk of theft because they are more easily identifiable,” says Mr. Christopher Emery, a spokesman for Natal Building Society.

However, most banks and building society say that if a client is known to them or has a good credit record, immediate clearance can be arranged.
Unemployment relief extended for five years

THE Government's unemployment relief scheme is to be extended for five years.

Dr Piet van der Merwe, Director General of Manpower, said the decision had been taken in principle. Funds would be allocated from year to year, depending on need and availability.

The scheme was launched in June last year with R25-million for training the unemployed. It was extended and expanded this year when a further R600-million was allocated for training, job creation and other projects.

Dr van der Merwe said that in the first year of the training scheme about 340 000 people had been trained in about 180 skills at 200 centres.

SMALL PAYMENT

"In 1986 we hope to train about 420 000 people," he said.

The scheme offered a small payment, a travelling allowance and meals during training.

It had been an important contributor to employment.

About 4 000 unemployed artisans had found work as trainers and there were also jobs for administrative and clerical staff at the centres.

Under the job creation programme, there had been more than 39-million working days on a variety of projects in a year.

With R75-million allocated to it, the Small Business Development Corporation had created more than 42 000 jobs, said Dr van der Merwe.
By HILARY VENABLES
Labour Reporter

THE number of people receiving Unemployment Insurance Fund (UIF) benefits in Cape Town has remained almost static over the past year, despite a huge increase in unemployment in the Western Cape.

According to the divisional labour inspector for the Department of Manpower, Mr. Jan du P Marais, between 4,600 and 5,000 new applications for UIF benefits are processed by the Cape Town inspectorate every month.

But the number of people receiving benefits has increased by only 1,000 over the past year — from 15,625 in September 1989 to 16,625 last month.

According to official population surveys of the Western Cape, more than 65,000 people are unemployed, but labour experts say the true tally is far higher.

As the job situation worsens there is increased pressure from community and worker organizations for the UIF system to be revised to provide for the vast number of people who are out of work and who cannot find jobs before their UIF benefits expire.

In terms of the rules governing the fund, a registered unemployed person may claim 45 percent of the wage he or she was earning before becoming unemployed. Unless an extension is granted, a worker may not claim UIF for more than six months.

Only 188 applicants were granted extensions last month.

The Advice Office Forum said the focus had highlighted the inadequacy of the UIF system. Increased pay-outs and extension to the time limit on benefits were vital to prevent a worsening the poverty crisis on the Cape Flats.

The Unemployed Workers Movement said the only solution was for people who were out of work to be given jobs or full maintenance.

The Congress of South African Trade Unions said the failure of the State to deal with the problem of unemployment meant the burden of supporting the unemployed fell on other workers.
Jobless man in UIF pay wrangle

Catch 22 after 30 years

Mrs Olga Archer and Mr Arthur Archer with their eight-year-old son, Chevon.

Even though I worked in Transkei for a year, all my earnings were still spent in South Africa as I lived in Elliot. The South African Government was still getting my money.”

Mr Archer said his savings were now almost completely depleted. He and his wife, Olga, their eight-year-old son, Chevon, now live in a rondavel in a caravan park in Bonza Bay which costs them more than R2000 a month.

Mr Archer said his son had not been able to attend school since they left Elliot at the end of August.

“We have enough money for one more month’s rent, and that’s all,” he said.

Officials of the Department of Manpower in Pretoria could not be reached for comment today. Repeated attempts since Wednesday to contact the department by telex for comment also proved fruitless.

Child Welfare...
UIF sets the record straight

Dispatch Reporter
EAST LONDON — South African citizens who have contributed to the Unemployment Insurance Fund (UIF) but who have not worked within the borders of the country for at least 13 weeks immediately preceding registration as unemployed would not qualify for UIF benefits until they had worked a further 91 days within South Africa.

This was confirmed in a statement yesterday by the chief of media liaison services of the Department of Manpower in Pretoria, Mr P.J. de Villiers.

He was reacting to queries regarding an East London man, Mr Arthur Archer, who had tried to claim UIF benefits on returning to South Africa after working in Transkei for a year.

According to Mr de Villiers, payment of benefits to former contributors of the RSA fund and those of TBVC countries, were governed by different acts and also agreements entered into between the government of South Africa and those of the TBVC funds.

"Each application for benefits must be dealt with strictly in terms of the stipulated conditions and every decision regarding the payment of benefits by the department in a particular case is not a question of a discretionary ruling by the department," Mr de Villiers said.

To qualify for the payment of unemployment benefits an unemployed former contributor of the RSA fund had to have been employed as a contributor to the fund or have been otherwise in employment within the RSA for at least 13 weeks (91 days) during the 52 weeks immediately preceding the date on which he was deemed to have become unemployed, the date of application for unemployment benefits, he explained.

"Employment outside the borders of South Africa cannot be regarded as employment for the 91 days qualification purposes.

"If Mr Archer did not work within the borders of South Africa for at least 91 days during the 52 weeks prior to the date of his application, he does not qualify for the payment of unemployment benefits in South Africa," Mr De Villiers said.

Periods of employment by employers of other countries, including the TBVC countries, could not be taken into consideration "whenever", he added.

Reacting to Mr Archer's claim that the department had offered him a job in Butterworth in Transkei, Mr de Villiers said that the department could not offer employment opportunities in any of the TBVC countries as its jurisdiction did not extend to those countries.

"However, the East London office of the department could advise workers on job opportunities in these countries on the strength of advertisements of vacancies in Eastern Cape newspapers and information received from parent companies in the East London and Convention offices in companies in these countries," he explained.

Asked if the department advised people on the consequences of working in any of the TBVC countries if they ever returned to South Africa and applied for UIF benefits, he said the department had "no control whatsoever" over the movement of workers to and from TBVC countries or all other countries including other foreign countries.

He said that the department distributed, on a regular basis, literally hundreds of thousands of pamphlets to employers and contributors every year to keep them informed of the more important provisions of the act.

"It is also each contributor's duty to acquaint himself with the relevant legal provisions of the act and it cannot be expected of the government to advise each person individually of the legal consequences of his actions when he decided to take up employment outside of South Africa," Mr de Villiers added.

Since arriving in East London at the end of August, Mr Archer has reported to the department's offices each week in the hope of finding employment. He has also registered with all the employment agencies in town.
PRETORIA—Contributions to the Unemployment Insurance Fund would be increased from 0.7% of employees' earnings to 0.9%. From January 1 next year, the Director-General of Manpower, Dr P J van der Merwe, said yesterday.

It was being done to supplement the fund's reserves so that all people entitled to its benefits could be paid, even if unemployment should increase, he said.

The increase in contributions would lead to a monthly increment of R9,000,000 in the fund's surplus.

The fund stood at R174,8 million on September 30, Dr van der Merwe said.

From January to September, 197,000 people had drawn R228,5 million from the fund. In that period, R308,7 million had been paid into the fund, leaving a R9,200,000 surplus.

The fund was operating with a R78,6-million interest-free Government loan.

Dr van der Merwe said it had also been decided that from January 1 next year the maximum earnings up to which an employee qualified as a contributor to the fund would be raised from R26,000 to R30,000.

The current population survey put the number of unemployed, including those in the Transkei, Bophuthatswana, Venda and Ciskei, at 691,000, although unofficial estimates ran from 1,700,000 to 3,000,000. — (Sapa)
Pretoria — Contributions to the Unemployment Insurance Fund are to be increased from January next year to bolster the fund against possible future increased unemployment and demands on the fund, the Manpower Minister, Pietie du Plessis, said.

The Manpower Director-General, Piet van der Merwe, warned at a press conference there was no quick fix for the problem.

Employer and employee contributions are to be raised from 0.7% to 0.9% of workers' earnings.

The earnings ceiling under which workers become eligible for benefits is also to be raised from R20 000 to R30 000.

This and the higher contributions, van der Merwe said, would bring in an additional R14m a month.

For the first nine months of the year contributions amounted to R200m and pay-outs R300m.

A total of 4,1m workers contributed to the fund.

Van der Merwe said the increase was a modest one — a worker earning R100 a month would pay an extra 20c.

During the first nine months of the year the fund's income exceeded pay-outs by R1m a month.

Van der Merwe said claims that the fund, was bankrupt were nonsense. In fact reserves now stood at R174,8m compared with R149,8m last December.

He said amendments to the unemployment insurance legislation to come before Parliament next year would extend benefits materially.
CONTRIBUTIONS to the Unemployment Insurance Fund (UIF) will be increased from January to bolster it against possible increased future unemployment and demand, Manpower Minister Pietie du Plessis said yesterday.

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The earnings ceiling under which workers are eligible for benefits will also be raised from R26 000 to R30 000.

Manpower Director-General Piet van der Merwe said that this and the higher contributions, will bring in an additional R9m a month.

He said the increase in UIF contributions was a modest one— a worker earning R100 a month would pay an extra 20c.
UIF income barely meets pay demands

GERALD REILLY

UNEMPLOYMENT Insurance Fund (UIF) income is just keeping pace with demands from fund beneficiaries.

Manpower Director-General Piet van der Merwe said R199,9m was paid to 242,000 unemployed in the first nine months of 1986.

The number of applications in September alone amounted to 29,000, compared with 27,000 in September last year.

Last year R219,4m was paid out to 304,905 beneficiaries.

Illness benefits paid out in the January-September period amounted to R35,4m, maternity benefits to R36,2m and deaths benefits R14,6m.

Administrative and "other" expenses came to R15,8m.

Income for the nine months amounted to R301,7m.

Unemployment benefits paid were 10% on last year, but not significantly.

Van der Merwe said there were too many imponderables to make a firm forecast on employment prospects for 1987.
Employment worries

SA’S VAST unemployment problem is serious now, but by the end of the century the chances are that it will be a lot worse, according to economists. This is why government has intensified counter-action and channelled more funds into the campaign to slow down the spiralling numbers of workless blacks.

A factor spurring the urgency of the campaign is the certainty that unemployment is becoming a major factor in black unrest.

Economists have estimated that with the current level of those unemployed — estimates vary from government’s 500 000 to academic estimates of about three-million, in addition to the 300 000 new work seekers who come on to the labour market every year — by the year 2000 there could be up to four-million without jobs.

Sanctions already imposed will in the long-term slow down the pace of the economy and shrink further the availability of work.

It’s against this background that Manpower Minister Pietie du Plessis has decided to increase employers and employees subscriptions to the unemployment insurance fund from 8.7% of earnings to 0.9%. He has also raised the eligible salary ceiling for benefits from R26 000 to R30 000. This will bring in an additional R8m a month.

Manpower director General Piet van der Merwe says there is no quick fix for the enormous problem, caused mainly by the rapid population growth. Even if the population control campaign mounted by the Department of Health is in any way successful in halting the people explosion among blacks it will be years before the rate slows down to below the current nearly 3% a year.

In the meantime, new workers will continue to flood the labour market at an increasing rate. Van der Merwe says his department is engaged in the most intensive campaign in the country’s history to relieve the acute distress caused by unemployment.

The Unemployment Insurance Fund, he says, is only one of the instruments being used. Others include the department’s training and job-creation programmes, for which more than R800m has been allocated.

Government policy of deregulation and privatisation will also generate employment, Van der Merwe hopes. Meanwhile, during the first nine months of this year 197 000 beneficiaries were paid a total of R300m in unemployment and other benefits. At the end of September the fund’s reserves stood at R174.8m, compared with R149.8m last December.
Social security net widened to help more jobless people

By Kym Hamilton, Pretoria Bureau

Contributions to the Unemployment Insurance Fund will rise by 0.2 percent from January 1 this year to boost the fund by R9 million a month, the Director-General of Manpower, Dr Piet van der Merwe, said yesterday.

The ceiling of eligible contributors has also been increased to a maximum income of R38,000 to R38,000 a year.

The latest moves will strengthen and bolster the fund to meet future demands.

"However, it really means that the social security net has been broadened to assist more people," said Dr van der Merwe.

The fund is expected to pay out R400 million in benefits to the unemployed this year. Up until September 30 this year, the fund had already paid out benefits totalling R200.5 million to 197,000 jobless South Africans.

The increase from 0.7 percent to 0.9 percent was recommended by an actuarial investigation into the fund and will increase reserves to enable it to meet its commitments should unemployment continue to rise, said Dr van der Merwe.

And this year, for the first time since 1982, the fund is showing a surplus of R2.2 million instead of a deficit, which last year totalled R146.6 million.

The fund's balance is at present R174.8 million.

The number of workers who contribute to the fund has increased from 3.6 million last year to 4.1 million for 1986.

In the pipeline

Dr van der Merwe pointed out that the fund assisted the jobless for up to 26 weeks depending on how long a person has contributed.

However, amendments to increase the number of beneficiaries are in the pipeline. The legislation has already been submitted to the Speaker in Parliament and will go to the standing committee on manpower early in the new year.

In terms of this, benefits will now be extended to parents of adopted children. They will qualify for assistance for a maximum period of up to 26 weeks if the adopted child is under two years of age.

Maternity benefits have also been revised. At present an expectant mother can claim for 13 weeks prior to giving birth and for eight weeks after the birth. Now the mother will be able to claim for a total of 26 weeks from the time she leaves her job.

The law will also be changed to assist unemployed people who undertake a training course and widowers who were dependent on their wives. Up until now, a widower had had to prove he was also sickly.

The UIF was only one way in which the Government was attempting to ameliorate the situation and assist the unemployed in South Africa, said Dr van der Merwe.

According to the latest current population survey there are presently 700,000 unemployed in South Africa. This figure excludes the four independent homelands. Other "non-official" estimates put the number of jobless at 1.7 million and others as high as 3 million.

There was no instant solution to the problem, said Dr van der Merwe.

However, the present multi-million rand job creation and training programmes are the most comprehensive and intensive project to relieve the situation and create jobs yet undertaken by a South African Government.

Successful

Dr van der Merwe added that it was also the most successful.

"However, the solution is not only the Government's task. The private sector also has an important contribution to make," he said.
Women win claim over unemployment

Court Reporter
THREE KwaMashu women yesterday won an application against the Natal Provincial Administration entitling them to claim unemployment benefits following their dismissal.

The hearing was before Mr Justice Kriek in the Supreme Court, Durban.

The dispute arose when Mrs Nomatemba Jane Gama, Mrs Vincentia Mhisi and Mrs Mantabengwe Senoia Kwela were employed by the then Natalia Development Board as street cleaners.

The Natalia Development Board has since been incorporated into the Natal Provincial Administration.

Following their dismissal, the women attempted to claim UIF benefits and were told they would have to obtain UIF cards from their employers.

Mrs Gama said the Natalia Development Board would not give them the cards.

After the Transport and General Workers' Union had written to the Natalia Development Board, a reply was received from the NPA informing the women that they had never been employees of the board but had been taken on as independent contractors.

The UIF deductions had been made in error and the women were told they would be refunded their contributions, but as they were not considered employees, they were not entitled to unemployment benefits.

Mrs Gama said that when she joined the Natalia Development Board, she signed an agreement and was told she would be an employee.

Mrs Mhisi and Mrs Kwela did not sign any agreement.

The registration of these two women was recorded in their reference books.

It was submitted that if they were registered as independent contractors, their employment would never have been registered and recorded as such.

Substantiating their claim as employees, the women said they were paid on a monthly basis and UIF contributions were always deducted.

By consent They were told no one else was allowed to do their work for them.

Mrs Gama said if they were really independent contractors, the Natalia Development Board would not have insisted on personal performance.

Mr Justice Kriek granted an order by consent declaring that the three women were entitled to unemployment benefits.

Mr Christopher Nicholson from the Legal Resources Centre appeared for the women.
MATERNITY BENEFITS

Extended unemployment benefits have been proposed by government in a draft amendment to the Unemployment Insurance Act published in Cape Town.

In particular, it is proposed that maternity benefits be improved by:
- Extending the period for the lodging of applications for maternity benefits to any time before the date of birth, or within a year after the birth;
- Extending maternity benefits to 26 weeks from the date a woman stops work;
- Giving the same maternity benefits whether a woman gives birth to a live or dead child — previously still-births were not regarded in the same category as live births for UIF benefit purposes; and
- Providing benefits for mothers who adopt babies under the age of two on the same basis as those who give birth.

The amendment Bill also proposes benefits for the widower of a deceased female contributor equal to the benefits received by the widow of a deceased male contributor. At present only "invalid" widowers are entitled to the benefits of deceased female contributors.
Job loss trend slowing down

Own Correspondent

JOHANNESBURG. — Government and industry believe the worst of the unemployment problem may be over.

Although more people have lost their jobs during 1986, officials say the trend is slowing and the picture should soon show signs of improvement.

Nobody is certain, however, of the true level of unemployment in South Africa.

The number of registered unemployed at the end of October was 127,700, an increase of 200 on January. But that figure includes only those who have registered. And it does not include people from self-governing states.

Independent studies estimate that, excluding these regions, unemployment in SA is about 700,000. Including them, the figure soars to between 2 and 3 million.

The Director-General of Manpower, Dr Piet van der Merwe, says R44 million in unemployment benefits have been paid so far this year, at a rate of R1.5 million each working day.

The steel and engineering industries, which have shed tens of thousands of jobs since 1981, have seen a reduced rate of retrenchments this year.

An estimated 14,000 jobs have been lost in the motor and allied industries this year — again a slowdown on previous losses. Motor manufacturers laid off another 4,000, while component manufacturers and the retail/distributive trades each laid off about 5,000.

The National Association of Automobile Manufacturers director, Mr Nico Vermeulen, said: “There is most definitely a slowdown in all areas. Among manufacturers I would expect employment to actually start rising from the first quarter of 1987.”

One sector to show definite increases is mining. The Chamber of Mines says there has been increased employment on the gold and coal mines of its members.
Xhosas are being treated as 'aliens'

By BARRY STREET Political Staff

XHOSA-SPEAKING Africans in the Cape Town were being treated as "aliens" and were therefore losing rights to unemployment insurance benefits and pensions, according to the Black Sash Advice Office.

The advice office's organizer, Mrs Sue Joyn, said in her latest monthly report that the Unemployment Insurance Fund contributions paid by black people in Cape Town were transferred to the Ciskei and Transkei governments, but few went to the homelands to claim them.

Mrs Joyn also said the problem of poverty presented itself everyday to the Black Sash Advice Office in Mowbray.

Most of the people who came to the office were Africans and "their problems, if they are destitute, are exacerbated by the restrictive provisions of the Aliens Act.

"All Xhosa-speaking people are by definition Transkeian or Ciskeian citizens and therefore aliens.

"Unless they are regarded by the authorities as permanent residents (which seems to mean that they must have now defunct section ten rights and/or have their whole family living in accommodation here with them) they are not eligible for UIF benefits, pensions, disability grants and so on.

"The UIF contributions for Transkei and Ciskei citizens are paid over to the governments of these countries and the workers are supposed to return there to claim there benefits.

"Very few do this because the chances of ever getting another job are even more remote up country than they are here. Workers thus forfeit the insurance for which they are paying," Mrs Joyn said.

The overburdened state of welfare agencies, together with the inadequacies of the Unemployment Insurance Fund, had led the Black Sash to feel that the problems should be tackled in a different way.

"It is quite clear that labour-intensive methods of manufacturing, massive job creation, self-help schemes, a measure of deregulation without the loss of minimum wages and so on, need to be discussed and encouraged with great urgency while at the same time some sort of immediate relief — not charity — needs to be made available," Mrs Joyn said.
SOCIAL SECURITY UNEMPLOYMENT INSURANCE

1987 - 1989
UIF benefits to be reviewed

By Sejanemopo Motau, Pretoria Bureau

A draft law that will make it possible for mothers who adopt minor children to draw unemployment insurance benefits is to be tabled in Parliament this year.

Parliament is also to consider draft legislation that will permit unemployment insurance benefits to be paid to the spouse of a dead contributor instead of limiting such payment to a widow or an invalid widower as is presently the case, on condition that the interests of the dead contributor's minor children are protected.

These draft laws are the results of a lengthy investigation, of the Unemployment Insurance Act of 1966 and the administration of the Unemployment Insurance Fund (UIF) by the Unemployment Insurance Board. The board's report was released today.

In a statement accompanying the report, the Minister of Manpower, Mr P'T C du Plessis, said it should be regarded as an independent report since it was initiated by the board.

The Minister said of the 35 recommendations referred to him, 39 had been approved.

The remaining six could not be considered without further investigation.

They had been referred to the Departmental Work Study Division, the Commission for Administration and the Human Sciences Research Council for further study.

Among these was a recommendation that a "special commission" be appointed to investigate the problems of "structural unemployment".

This matter has been referred to the HSRC which is currently investigating the question of affordable social security.

With regard to adoption benefits, the board recommended that benefits be paid to an adoptive mother only if the adopted child was younger than two years at the date of the adoption. The adoption must be legal and the maximum period of payment should be 26 weeks from date of adoption.

The board said the National Manpower Commission had completed an investigation into a request that domestic workers and agricultural workers should be included as contributors to the fund. Problem areas would be further investigated in consultation with organised agriculture.
STELLENBOSCH - Provisional figures showed that the Unemployment Insurance Fund (UIF) paid out benefits totaling R348,900 million to about 488,900 jobless contributors last year, the Minister of Manpower and Public Works, Mr Pietie du Plessis, said yesterday.
Comparing this with the 1986 payout of R82 million to just over 220,000 people, he said yesterday.
Mr du Plessis said the increase came under "tremendous pressure". The board had established a permanent committee to deal with amendments to the Unemployment Insurance Act. — Sapa
Bigger UIF contributions this month

The rate of contributions has increased from 0.7% to 0.9%, which means an increase of 20 c on every R100 earned.

Also taking effect this month is the increase in the maximum earnings up to which an employee qualifies as a contributor.

This has been increased from R26 000 a year to R36 000 a year.

The increases were announced after a recommendation by the UIF Board and were effective from January 1.
STELLENBOSCH — Provisional figures showed that the Unemployment Insurance Fund (UIF) paid out benefits totalling R348,9 million to about 448 800 jobless contributors last year, the Minister of Manpower and Public Works, Mr du Plessis, said in Stellenbosch this week.

Comparing this with the 1980 payout of R26,7 million to just over 230 000 people, he told a meeting of the Institute for Personnel Management that the UIF had come under "tremendous pressure" in 1986.

In spite of this phenomenal increase in the workload there were virtually no backlogs in administration and payouts from the fund.

Mr du Plessis said the board of the UIF, together with his department, had established a permanent committee to deal with amendments to the Unemployment Insurance Act.

The committee would give attention on a continuing basis to problematic aspects of the Act, how they could be eliminated and how the provisions of the Act could be expanded to allow more people who were presently not eligible to contribute to the fund, to share in its benefits.

The Act would be amended to provide that:

- An unemployed person who was doing training under a scheme could claim unemployment benefits.
- Adoption benefits could be paid to female contributors who adopted children.
- Payments to dependants could also be made to widowers of deceased woman contributors.

It was also intended to introduce a Manpower Training Amendment Bill which would improve the stipulations in regard to artisan training, and an amending Bill to the Accidents Act would be introduced this session to bring about substantial increases in compensation.

Mr du Plessis said all employers should become more involved in the planning, development and supply of farm labour.

Co-operatives should be encouraged to register as private labour offices so that they could supply labour to farmers as a paid service. — Sapa.
Detainees’ UIF, pension problems highlighted

Staff Reporter

PROBLEMS with unemployment insurance benefits and pension and disability grants for detainees were highlighted in a report by the Port Elizabeth advice office at the Black Sash National Conference.

At a session on advice office reports, the director of the PE Advice Office, Mrs Sheilagh Hurley, said their office had appealed without success against the loss of UIF benefits for their clients as a result of being detained.

The report cited the example of a "Mr T" who lost his job in April last year after 16 years, and immediately registered for unemployment benefits.

"As he was signing for one of his benefits he was detained and his unemployed wife and eight children were left destitute," the report said.

On his release, the time period for applying for benefits had expired.

"In order to qualify for UIF benefits a contributor must be capable of and available for work. Consequently the UIF board in Pretoria turned down his appeal for benefits," she said.

The Black Sash is currently waiting for a written explanation of the decision of the UIF board.

Although the conference dealt with all aspects of work covered by the organization, special problems arising out of the state of emergency received particular attention.

In another case the Black Sash found that detainees and family members were being refused pension and disability grants on the grounds that "they were no longer in need" as they were in prison "where all their bodily needs were taken care of".

The Advice Office report said an agent of the Department of Constitutional Development and Planning informed them that pensions and grants were "for the individual only" and family members were "not meant to share this".

After representations to the department in Pretoria, the advice office found that power of attorney would be given to other family members for grant payments, and the department was asked by the Black Sash to make back payments to anyone who lost payment in this way.
Police to investigate alleged UIF fraud

By CLARE HARPER

POLICE are investigating the illegal interception of Unemployment Insurance Fund (UIF) cheques and their fraudulent cashing throughout the Peninsula, which have left the legal beneficiaries penniless and without means to support their families.

A police spokesman for the Western Cape, Lieutenant Denise Benson, yesterday confirmed that between eight and 15 cases involving UIF payouts were being investigated as cheque thefts, which became fraud cases once the stolen cheques were cashed.

Deprived

She said that it was the responsibility of the companies who unwittingly cashed the cheques to lay charges.

The cheque thefts were brought to the attention of the Cape Times yesterday by the chairman of the Western Cape Hostel Dwellers’ Association (WCHDA), Mr Johnson Mepukumba, who told of three Langa hostel dwellers who were deprived of their unemployment insurance payout.

Mr Mepukumba said that Mr I Gwadiso, Mr T Songa and Mr Popi Mgehi visited the WCHDA advice office yesterday after being handed their "already-cashed cheques" at the city Thomas Boydell UIF office last week and instructed to report the matter to the police.

Responsible

Mr Mgehi had R1223.66 stolen, Mr Songa R870 and Mr Gwadiso R416.42.

The Department of Manpower UIF claims officer, Mr Frans Marais, said yesterday that once the UIF cheque had been mailed “we cannot be held responsible”.

"We cannot pay the same recipient twice, it is a police matter and constitutes fraud,” Mr Marais said.

Mr Marais said that ordinary monthly benefits were paid out to beneficiaries who had to produce their identity document and unemployment card.

Checking identity

He said that mailed cheques, which were usually for sick benefits, had been intercepted. "In the past", and "measures were being taken to prevent this."

He said ordinary benefits were never handed over without checking the identity of the recipient. He added that people could only receive their benefits if the police could recover the money.

The WCHDA yesterday called on the UIF authorities to assist people who had become victims of the cheque thefts.

Speaking on behalf of the Langa WCHDA members, Mr Mepukumba said: "These people have been waiting a long time for their money, to which they have paid monthly contributions. It is a disgrace that they are sent away empty-handed when the officials issued the cheques."
Natal North Coast last night.

UIF fraud investigated

Police are still investigating between eight and 15 cases of illegal interception and fraudulent cashing throughout the Peninsula of Unemployment Insurance Fund (UIF) cheques which have left their legal beneficiaries penniless. A police spokeswoman for the Western Cape, Lieutenant Denise Benson, said yesterday that anybody who had fallen victim to UIF fraud should contact Major E Mostert at the local fraud branch on 464480.
PENNILESS... and threatened with eviction, 65-year-old Mr Popi Steven Mgcineni holds up this useless Unemployment Insurance Fund cheque, spent by an unknown cheque thief in March.

PHOTO: ANNE LAING

UIF cheque thefts puzzle the police

By CLARE HARPER

POLICE are baffled as to how Unemployment Insurance Fund cheques issued by the Department of Manpower are being illegally intercepted before reaching their legal beneficiaries.

Between eight and 15 cases involving UIF payees are being investigate as cheque thefts, which become fraud cases once the stolen cheques are cashed.

A police spokesman for the Western Province, Lieutenant Denise Benson, said yesterday that police were still investigating the modus operandi of the thefts.

One of the cheque fraud victims, 65-year-old Mr Popi Steven Mgcineni, showed a copy of his useless cheque to the Cape Times yesterday.

The crossed cheque, issued in his name for the amount of R870.26 had been cashed at Checkers in March by one of the cheque thieves.

Mr Mgcineni, formerly a construction labourer, began receiving sick benefits from UIF in 1989 after it was discovered he had contracted tuberculosis.

He said he usually received his cheque by going to the city UIF office in the Thomas Boydell building. Mr Mgcineni’s cheque was made out to him on March 10 this year. When his payment had not arrived by late May, he visited the UIF office.

He said he was given the already-cashed cheque and told to report the matter to the police.

Mr Mgcineni, a widower, said he had been threatened with eviction from his Langa hostel room because of rent arrears and had been given a time limit for paying up.

As a result of the theft, he now has no money to support his three children and five grandchildren in Transkei and is surviving on occasional cash handouts from a nephew.

Checkers financial manager Mr A McWilliams said that problems with UIF cheques had been unique to the Roodepoort branch and the matter had been referred to the police.

He said it was fairly standard practice to accept UIF cheques for payment because they could be endorsed.

He said all the branches had been warned to be on the lookout for further fraudulent cheque cashing.

A spokesman for the UIF office said this week that measures had been taken to prevent further interceptions, but declined to give details.

A spokesman for the Western Cape Hostel Dwellers’ Association, Mr Johnson Mphangama, called on the department to help those left penniless “through no fault of their own”.

90-01-09-00
Victim

By CATINA HARRIET

R1,000,000.00 for cheque-fraud
SMILING AND RELIEVED . . . UIF cheque fraud victim Mr Popi Steven Mgcineni, 65 (centre) holds up the R1 000 cheque he received yesterday from Checkers’ financial manager Mr Andy McWilliams (right) and a R100 cheque from an anonymous Cape Town donor. Western Cape Hostel Dwellers’ Association chairman Mr Johnson Mpukumpa (left), who informed the Cape Times of Mr Mgcineni’s plight, thanked Checkers for their humane response.

Picture: ALAN TAYLOR

'Up to 40' UIF theft cases

By CLARE HARPER

The number of Unemployment Insurance Fund (UIF) cheque thefts currently being investigated by police throughout the Peninsula has leaped from 15 to 40 cases, a police spokesman said yesterday.

The cases, involving the illegal interception of UIF cheques and their fraudulent cashing at supermarkets, are being investigated centrally by the Cape Town fraud branch, a Western Cape police spokesman said.

Meanwhile, Department of Manpower spokesman Mr J G Stubbart said that the legal beneficiaries of the cheques, who have been left without the means to support their families, could only be issued with fresh cheques once the Reserve Bank had debited the company that cashed the cheques.

"However, this takes time and it is worrying us that people are in financial strife — we are discussing other plans with the UIF commission," he said.

And yesterday the financial manager of Checkers, Mr Andy McWilliams, handed over a cheque for R1 000 to 65-year-old Langa fraud victim Mr Popi Steven Mgcineni.

The Cape Times was also able to pass on to the widower a cheque for R30 donated anonymously by a "concerned Cape Town family" who had read of his plight.

Mr Mgcineni’s non-negotiable cheque for R30 was fraudulently cashed at Checkers in March and he has been surviving on cash handouts since then.

Mr McWilliams said yesterday that Checkers were bonafide in their acceptance of the stolen cheque, but that the issue was one of "social responsibility."

"The bread was taken from the mouth of Mr Mgcineni. The time it would have taken for legal proceedings would have been detrimental to the victim, thus we felt an immediate response was necessary."

"As a socially responsible organisation, we value our contribution to society and know that this gesture will be appreciated in the spirit in which it is given."

The chairman of the Western Cape Hostel Dwellers’ Association, Mr Johnson Mpukumpa, who brought Mr Mgcineni’s plight to the attention of the Cape Times, thanked Mr McWilliams for Checkers’ "sympathetic and humane stand."

Mr Mgcineni thanked Mr McWilliams and the anonymous family for their assistance. "I did not know there was anybody who could help me," he said.

He said the first thing he would do would be to send money to his three children and five grandchildren in Transkei — after depositing the money in his savings account.

Pick ‘n Pay general manager Mr John Barry said yesterday that the chain had received two fraudulent UIF cheques, but they had been debited by the Reserve Bank and UIF reimbursed more than a month ago.
Gerald Reilly

PRETORIA — The strength of the Unemployment Insurance Fund has increased spectacularly recently.

Manpower director general Piet van der Merwe told Business Day yesterday the fund's assets had risen from R171.3m at the end of December last year to the current level of R240m.

He said were it not for the repayment of a R75m government loan at the rate of R10m a quarter, the fund would have exceeded the peak level of R270m reached in 1992.

The major reason for the well-filled fund was the raising of the beneficiaries' ceiling to R30 000 from R26 000 and increasing employer and employee contributions to 0.9%.

Van der Merwe said between R33m and R35m a month was being paid to beneficiaries.
UIF cheques: Five arrests

By CLARE HARPER

Police "have made five arrests following lengthy investigations into Unemployment Insurance Fund (UIF cheque thefts.

A police spokesperson for the Western Cape, Lieutenant Denise Benson, said the remainder of the initial 40 cases of stolen or fraudulently cashed cheques were still being investigated by the fraud branch. Police have not yet established how the UIF cheques were intercepted.

- Mr Patrick Olifant, Mr Kenneth Baardman and Mr Sidima Ngcune, all of Langa, will appear on possible charges of fraud in the Wynberg Magistrate's Court on July 17.

At an earlier hearing on July 10, the men were not asked to plea. Mr Olifant and Mr Baardman were released on bail, while Mr. Ngcune was held in custody.

- Mr Stanley Boom, 35, of Langa, is being held in custody following his appearance on charges of fraud in the Athlone Magistrate's Court on July 20.

He is being held in police custody.
Spate of UIF cheque thefts is revealed

A SPATE of thefts — and subsequent fraudulent cashing — of unemployment benefit cheques has erupted.

The thefts follow a similar racket which saw the illegal cashing of more than 600 tax rebate cheques.

Manpower and Public Works director Dennis van der Walt confirmed the outbreak of unauthorised cheque cashing.

"What is happening is that government certified mail is being intercepted, either by someone living at the address, or someone close to the family who knows the cheque is coming.

"While we try to accommodate everybody, especially in the case of illness, we are now going to request that people come in to our offices in person to collect their cheques."

However, unemployment insurance commissioner Jack Schepers said his department had not received any complaints.

He added: "Should the beneficiaries not receive their cheques, they should contact the nearest department immediately, and only then will we be able to investigate the matter."

He said the Manpower Department paid out about R30m a month and dealt with about 120 000 beneficiaries throughout SA.

"The moment a cheque is returned in suspicious circumstances by a bank or institution, the police are called in to investigate."

Normal departmental procedure allows for benefits of less than R600 to be paid out in cash at various labour bureaux, while those of R600 or more are sent to the beneficiaries' addresses through the post.

Benefits for textile workers

ABOUT 250 National Union of Textile Worker (NUTW) won a wide-ranging maternity benefits agreement.

In a deal with South African Nylon Spinners (SANS) the NUTW workers would get six months maternity leave, Ebrahim Patel, the NUTW branch secretary said.

He said this was the first agreement in the industry in the Western Cape.

"In the first four months they will receive 32 percent of their salary and 45 percent of UIF. This totals 77 percent of their normal salaries," he said.

Male employees who become fathers will also be guaranteed compassionate leave.
R1.5m cheque fraud under investigation

Staff Reporters

PENINSULA police are investigating an alleged cheque fraud which they believe could involve up to R1.5 million.

The investigation began early last week when East Cape Murder and Robbery Squad detectives hunting a suspect in Cape Town made an arrest in Guguletu. During the raid on the house, detectives came across two Unemployment Insurance Fund (UIF) cheques issued by the Receiver of Revenue.

It is believed the two cheques could be part of a series of UIF cheques — already under investigation locally — which are believed to have been stolen from the Guguletu post office.

A man is expected to appear in the Athlone Magistrate's Court in connection with the thefts, which he had allegedly fraudulently cashed in Athlone.

Further arrests are expected this week. Police said yesterday there were indications that the investigation would spread to other post offices in the Peninsula.

The Post Master of Cape Town, Mr J J L Fourie, said he had not heard about the theft of cheques.

"I can't recollect that the Receiver has posted cheques in bulk recently, the last time this happened was when the loan levy cheques were sent out shortly after the mini-budget but before the election," he said. "I have never heard of theft on such a large scale from the post office."

He said that as the cheques had been from the Receiver of Revenue they would be made out to individual members of the public, making it difficult for the thieves to cash.

Granny bond cuts help others

Financial Editor

The government's decision to swap "granny-bonds", announced at the weekend, has saved thousands of families from facing a prohibitive increase in their living costs.

To stop the outflow of funds into "granny-bonds" where they would earn interest of 15%, most of the building societies were forced to offer a comparable rate to existing depositors over the age of 60.

That meant the building societies' funds were costing them more and they would have had to pass the increase on to borrowers by raising their mortgage bond rates if the "granny-bond" scheme had continued much longer.

Two building society managing directors said last week they would have to put up bond rates if the "granny bonds" continued to offer 15%.

Suspended students seek court interdict

By CHRIS BATEMAN and PETER DENNEHY

Two "moderate" students who were suspended from the University of Cape Town last week are to apply today to the Supreme Court for an urgent interdict to allow them to return to lectures.

The chairman and deputy chairman of the Moderate Students Movement (MSM), Mr Lance Terry and Mr Ralf Peer, were suspended last week for the remainder of this year for disregarding an instruction to go underground by security guards. He confirmed an NUM claim that Buffelsfontein

The...
Department acts to end UIF racket

By June Bearzi (Star Line)

The Department of Manpower is taking action to stamp out an Unemployment Insurance Fund (UIF) racket in which gangs are entering fictitious work records on blue cards to draw funds illegally.

Mr F Beyers, divisional inspector of labour at Johannesburg's Department of Manpower, alerted his staff and launched a probe to establish how widespread the racket was. Immediately after information was passed on to him by Star Line.

The money-making scam was revealed yesterday after a number of jobless came forward to say their UF74 contributors' cards had been stamped so they could claim the illegal UIF payouts.

One of the informants who wished to remain anonymous for fear of reprisals said: "Gang members who demand a big slice of the UIF payouts are capitalising on the plight of the unemployed. It must be stopped."

"If the police start an investigation these people, who often simply cannot find work, could be faced with criminal charges."

Card holders were also at risk when applying for jobs as the fake work records could be uncovered when the prospective employers checked with the companies the names of which were stamped on the cards, the source said.

Thousands of jobless are said to be involved. Gang members tout outside the Department of Manpower in Johannesburg.

They allegedly approach people lodging UIF claims and promise to arrange false entries to enable them to continue claiming when their legitimate payouts are exhausted.

Another informed source disclosed that one gang operated from a well-guarded property in Eldorado Park Ext 1.

"The premises are surrounded by high walls and a gate and no one can get in unless the gang knows them," the source said.

The blue card racketeers use names of firms with large staff turnovers. Sasol 1, 2 and 3, which employ 35 000 people countrywide, and Hall Longmore, Cyclops Engineering and International Combustion stamps have been used on cards.
Nine held in R80 000 cheque theft inquiry

Crime Reporter

POLICE arrested eight men in their 30s in Guguletu today in connection with the theft of Unemployment Insurance Fund cheques. A ninth man was arrested last week.

Five are Post Office employees who work in Langa and Guguletu.

The arrests followed investigations of at least 70 cases involving more than R80 000.

Police said more cases may come to light.

Fraud Branch detectives, aided by the Murder and Robbery Squad and the Dog Squad, swooped on homes early today. They also confiscated documents.

Scores of unemployed people are alleged to have lost their benefits as a result of thefts.

A police spokesman said it seemed the thieves knew which envelopes contained cheques because they were from the Department of Manpower.

CASHED AT STORES

Cases of theft of income-tax refund cheques from the Receiver of Revenue have subsequently also been reported.

They were cashed at stores by people using false identification in the form of an acknowledgement of receipt of an application for a change of address on an identification document.

It is understood the method of sending out UIF cheques has now been changed.

Police said the arrested men would appear in court on Monday.
Police smash Lifcheque fraud racket
Why blacks won’t talk — Motlana

THE attitude of black organisations towards talks with the government was the result of years of exclusion of blacks other than tribal chiefs from any dialogue, the chairman of the new ANC party's Committee of Ten, Dr Ntate Motlana, said yesterday.

Speaking at a SA National Women's League (SANWL) dinner in Cape Town, he said blacks had never refused to talk to the government.

However, since the national convention before union, blacks had been excluded from any negotiations except through government-appointed bodies.

He said that before there could be “talks about talks” there had to be agreement on certain fundamentals.

Firstly, there should be one fatherland for all South Africans.

Secondly, there had to be an agreement that negotiations were about one man, one vote with the necessary protection for individuals.

Sapa

Tonight’s television

TV1

19:00-20:00 Good Morning SA
20:30 Programme schedule
21:30 Megamix
22:45 Pleinewieseport

 surgery

EIGHT Guguletu men appeared in Wynberg Regional Court yesterday in connection with fraud and theft allegedly involving almost R30 000 worth of Unemployment Insurance Fund cheques.

Mr Mandla Yekwa, 27, Mr Christoffel Bonissile, 24, Mr Milingani Mtshali, 23, Mr Seyipri Stupanga, 24, Mr Patrick Mageni, 39, Mr Jonathan Mdletshe, 34, Mr Vuyani Kumagala, 23, and Mr Mxolisi Mqila, 34, were not asked to plead.

The prosecutor, Mr M S. Shor, informed the court that they would face at least six counts of fraud and that further charges were being investigated.

The hearing was adjourned to August 29. Mr J.C. Botha was the magistrate. The men were not represented.

Sex-spies jailed for 30 years

WASHINGTON — A military jury of eight Marine officers yesterday sentenced Marine Sergeant Clayton Lonetree to 30 years in prison for trading secrets for sex.

The respondents in the matter were Mr Robert Barrie, director, and R N Barrie (Pty) Ltd, a company unfranchised to distribute photocopying machines, and they were contesting a recent

a result of his resignation from the cabinet and from the African National Congress (ANC) as well as his party would in future adopt a "more aggressive" line in the tricameral Parliament.

Earlier, in an emotional speech during the vote of the Minister of Constitutional Development and Planning, Mr Hendrickse noted that the State President had last week come to the House of Representatives "to fight with us — he did not listen".

The LP leader said that after carefully reading all the speeches of MPs in last week's debate it was clear that not one MP had attacked the State President or attempted to "insult or denigrate" him.

Indeed, Mr Botha owed the House an apology for his attack on LP members whose message he had shown himself incapable of understanding.

"The fact that some people have died (as a result of government policy) is of no consequence to some people," Mr Hendrickse noted.

Telling the House
UIF fraud.
8 in court

Court Reporter

EIGHT Guguletu men appeared in Wynberg Regional Court yesterday in connection with fraud and theft allegedly involving about R60 000 worth of Unemployment Insurance Fund cheques.

Mr Mandla Yekwa, 27, Mr Christoffel Bonsale, 34, Mr Milingani Mbachle, 23, Mr Scyprian Sopangisa, 24, Mr Patrick Mgeni, 30, Mr Jonathan Mdleleni, 34, Mr Vuyani Kumagela, 33, and Mr Mxolisi Mgijima, 34, were not asked to plead.

The prosecutor, Mr M.I. Sher, informed the court that they would face at least six counts of fraud, and that further charges were being investigated.

The hearing was adjourned to August 28.

Mr C.L. Robbe was the magistrate. The men were not represented.
Eight people have been arrested accused of involvement in the Unemployment Insurance Fund (UIF) racket.

They are expected to appear in the Wynberg Magistrate's Court in Cape Town next Friday.

They allegedly stole unemployment relief cheques amounting to R200,000 during the past five months.

Mr Jack Scheepers, UIF commissioner in Pretoria, said the syndicate, which included five post office employees, was smashed by police in Cape Town recently.

He said Cape Town police were investigating dockets involving more than R80,000 in unemployment relief cheques stolen over the past five months.

Mr Scheepers said this week that to eliminate the interception of cheques the department had instructed claims officers in 400 outlets to ask beneficiaries to collect their benefits personally.

He also said that the department was working with the SA Police in investigating reports about a highly-organised gang which has allegedly siphoned large sums of money through the UIF blue card racket.

ay be restricted
It is hereby notified that the State President has assented to the following Act which is hereby published for general information:

**No. 102 of 1987: Unemployment Insurance Second Amendment Act, 1987.**
GENERAL EXPLANATORY NOTE:

[ ] Words in bold type in square brackets indicate omissions from existing enactments.

[ ] Words underlined with solid line indicate insertions in existing enactments.

ACT

To amend the Unemployment Insurance Act, 1966, so as to make further provision, with retrospective effect, in relation to the benefits to which contributors who are unemployed shall be entitled under certain circumstances; and to provide that applications for unemployment benefits shall lapse if the contributors concerned fail to report and attend at certain places and times; and to provide for matters connected therewith.

(Afrikaans text signed by the State President.)
(Assested to 13 October 1987.)

BE IT ENACTED by the State President and the Parliament of the Republic of South Africa, as follows:—

1. Section 34 of the Unemployment Insurance Act, 1966, is hereby amended by the addition of the following subsection:

   "(10) (a) A contributor shall not be entitled to benefits unless he applies therefor in terms of this Act.

   (b) A contributor who, in any period of fifty-two consecutive weeks, has received benefits for twenty-six weeks or for the longer period referred to in section 35 (14) (a) or 36 (9) (a), shall not be entitled to receive any unemployment benefits in terms of section 35 or illness benefits in terms of section 36, unless he applies anew for such benefits in accordance with section 35 (2) or 36 (3), as the case may be."

2. Section 35 of the Unemployment Insurance Act, 1966, is hereby amended—

   (a) by the substitution for paragraph (b) of subsection (5) of the following paragraph:

   "(b) The provisions of paragraph (a) shall apply also with reference to a contributor who is not entitled to benefits in terms of paragraph (c) or (f) of subsection (13) and the claims officer may extend the period during which the contributor shall not be entitled to receive benefits by a period equal to the period during which the contributor failed to comply with the provisions of paragraph (a)."; and

   (b) by the addition to subsection (5) of the following paragraph:

   "(c) If a contributor fails, without good cause, to report and attend at a place or at a time determined under paragraph (a), the application concerned for unemployment benefits shall lapse, and no further benefits shall be paid to him on account of that application."
3. (1) This Act shall be called the Unemployment Insurance Second Amendment Act, 1987.
   (2) Section 1 shall be deemed to have come into operation on 1 August 1979.
DEPARTEMENT VAN MANNEKRAG

No. R. 2161

2 Oktober 1987

WYSIGING VAN DIE REGULASIES UITGEGAARDE
KRAGTENS DIE WERKLOOSHEIDVERSEKERINGSWET, 1966

Die Minister van Mannekrag het kragtens artikel 62 van
die Werkloosheidversekeringswet, 1966 (Wet 30 van
1966), die regulasies uiteengesit in die Bylao uitgevaardig.

(iv) by museums manufacturing it for demonstration pur-
oposes and thereafter selling it to bona fide visitors."
Job-creation funds ‘used to house councillors’

**Political Staff**

HOUSE OF ASSEMBLY. — Allegations that R33,000 earmarked for job creation had been used to build nine houses for Ibhayi town councillors were revealed yesterday by Mr John Malcomess, the Progressive Federal Party MP for Port Elizabeth Central.

The rent for each of the R33,000 houses was put at R4.24 a month.

And confidential minutes of the executive committee of the Ibhayi Town Council in the hands of our correspondent in Port Elizabeth show that on August 26 last year it was recommended that “approval be granted” for such action and that the “actions of the mayor and the then acting town clerk be condoned”.

They had earlier called for tenders for the nine houses.

Speaking during committee stage of the Budget, Mr Malcomess said the Minister of Constitutional Development and Planning, Mr Chris Heunis, had supplied an answer to the House in connection with the houses which was “not correct”.

**Advocate General**

He said evidence of the use of the job-creation funds as well as other documentation relating to a “considerable degree of malpractice in the Ibhayi Town Council” had been forwarded to the Advocate General.

Mr Malcomess said the minister had stated in reply to questions that neither the mayor of Ibhayi nor town councillors received housing or transport benefits, neither had they received loans to build houses.

He said that subsequent to these replies being reported he had been visited by a person “who believed the answer given to me was not correct and he produced evidence to support his contention. “He also produced other evidence relating to a considerable degree of malpractice within the Ibhayi Town Council.”

Quoting from council minutes Mr Malcomess said it had been recommended that nine houses be erected at KwaMagxaki and that quotes be called for.

**Petrol bomb**

Further recommendations were that the monthly rental and instalment payment on the capital amount of R33,000 would be:

- R4.24 a month rental.
- R332 monthly instalment over 20 years if the house was purchased.

Mr Malcomess said the minutes also recorded that during April 1986 councillor Ncama’s house had been destroyed by fire following a petrol bomb attack and that the council had had no option but to provide hotel accommodation for him as the guest house was occupied by councillor Petela.

The request that alternative accommodation be found had come from the Minister of Constitutional Development and Planning, who had advised that it “is placing him in a very embarrassing position in Parliament”.

Mr Malcomess said it appeared that the minister had been advised of the situation and it would be “somewhat surprising if he did not know that money had been spent on providing these nine houses.”

“If the allegations are correct, then certainly the rental of R4.24 for a month for a R33,000 house is subsidization of housing for councillors on a massive scale and the answer supplied by the minister in this House was not correct.”
Questions Under Name of Member
The Minister of Finance

The Minister of Finance issues a statement on the budget for the fiscal year.

The budget is presented to the House of Assembly for consideration.

The House of Assembly debates the budget and votes on its approval.

The budget is then implemented by the government.

The Minister of Education

The Minister of Education presents a report on the performance of the education sector.

The report includes statistics on student enrollment, graduation rates, and budget allocation.

The House of Assembly discusses the report and asks questions for clarification.

The Minister of Education responds to questions and commits to improving the education sector.

The budget for education is allocated in the next fiscal year.

The provincial government announces its plans for education development in the coming years.

The report is published in the Official Gazette.

PRETORIA — The Commissioner of the Unemployment Insurance Fund, the Department of Manpower, Mr. Jack Scheepers, says the assets of the unemployment insurance fund have reached an all-time record this year.

He said the assets were building up at about R13 to R14 million a month. — Sapa
Hierby word bekend gemerk dat die Staatspresident sy goedkeuring gegee het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:


It is hereby notified that the State President has assented to the following Act which is hereby published for general information:

GENERAL EXPLANATORY NOTE:

Words in bold type in square brackets indicate omissions from existing enactments.

Words underlined with solid line indicate insertions in existing enactments.

ACT

To amend the Unemployment Insurance Act, 1966, so as to provide that the Minister of Manpower may delegate the power to assign an officer of his Department as secretary to the Unemployment Insurance Board, to an officer in the Department to compel an unemployed contributor to register as unemployed, before an application for unemployment benefits can be submitted by him; to extend the period within which an unemployed contributor who has applied for benefits and thereafter moves to the area of jurisdiction of another claims officer, should henceforth submit a further application to the latter claims officer; to delete the requirement that a contributor will in certain cases not be entitled to unemployment benefits within six weeks after he became unemployed; to provide that application for illness benefits forms may also be completed and signed by chiropractors and homeopaths; and to alter the qualifying period applicable to maternity benefits in order to bring about uniformity with the other types of benefits; and to provide for matters connected therewith.

(Afrikaans text signed by the State President.
(Assented to 21 March 1988.)

BE IT ENACTED by the State President and the Parliament of the Republic of South Africa, as follows:—

1. Section 12 of the Unemployment Insurance Act, 1966 (hereinafter referred to as the principal Act), is hereby amended by the substitution for subsection (11) of the following subsection:

"(11) The Minister or any officer in the Department of Manpower designated by him for that purpose may assign to the board an officer in [his] that department to be the secretary of the board, and such other officers or employees in [his] that department as may be necessary to enable the board to carry out its functions."

2. Section 35 of the principal Act is hereby amended—

(a) by the substitution for paragraph (b) of subsection (5) of the following paragraph:

"(b) The provisions of paragraph (a) shall apply also with reference to a contributor who is not entitled to benefits in terms of paragraph [(e) or (f) of subsection (13)].";

(b) by the substitution for subsection (6) of the following subsection:

"(6) When any person applies for unemployment benefits the claims officer may require him to submit..."
proof to the satisfaction of the claims officer that he is a workseeker who has been registered in terms of section 4 (1) of the Guidance and Placement Act, 1981 (Act No. 62 of 1981), and that he is, or has been, actively seeking work.";

(c) by the substitution in paragraph (c) of subsection (7) for the word "fourteen" of the word "twenty-eight"; and

(d) by the deletion of paragraph (e) of subsection (13).

3. Section 36 of the principal Act is hereby amended—

(a) by the substitution for paragraph (d) of subsection (6) of the following paragraph:

"(d) if the contributor, in the opinion of the claims officer, has unreasonably refused or neglected to undergo medical treatment or to carry out the instructions of a medical practitioner, chiropractor or homeopath, for as long as such refusal or neglect continues;"; and

(b) by the substitution for subsection (7) of the following subsection:

"(7) For the purpose of this section a contributor, other than a contributor referred to in subsection (1) (b), shall be deemed to have become unemployed on the date upon which his contract of service or apprenticeship or learnership was terminated by reason of the illness in respect of which application is made for illness benefits: Provided that an applicant who became unemployed prior to contracting the illness in respect of which the application is made, shall be deemed to have become unemployed on the date from which he is certified by the medical practitioner, chiropractor or homeopath to have become incapable of performing work by reason of the said illness.".

4. Section 37 of the principal Act is hereby amended by the substitution in subsection (5) for the word "eighteen", wherever it occurs, of the word "thirteen".

5. Section 62 of the principal Act is hereby amended by the deletion of paragraph (f) of subsection (1).

6. This Act shall be called the Unemployment Insurance Amendment Act, 1988, and shall come into operation on a date fixed by the State President by proclamation in the Gazette.
THE MINISTRY OF DVEMBER

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PRETORIA — Unemployment Insurance Fund reserves have reached a record level well in excess of R300m. Unemployment Insurance director Jack Scheepers said here at the weekend.

And monthly income of about R47m exceeds payouts by between R35m and R15m.

The strength of the fund, Scheepers said, was due mainly to the raising of the employer and employee contributions to 0.5% from 0.7% from January last year.

At the same time, the earnings ceiling to qualify for benefits was raised from R28 000 a year to R35 000.

And, Scheepers said, from the beginning of next month the income ceiling would be raised further — to R35 000 — qualifying large numbers of additional workers for unemployment benefits.

Currently, between 100 000 and 110 000 receive benefits totaling about R23m a month.

Average working day payout to beneficiaries is between R1.5m and R2.5m.

Since the beginning of 1986, between 39 000 and 40 000 applications for benefits had been received monthly.

So far, he said, there was no indication of a drop in the number of applications for benefits resulting from the economic revival.
UIF reserves at record level

PRETORIA - Unemployment Insurance Fund reserves have reached a record level of R300m, UIF director Jack Scheepers said at the weekend.

And monthly income of about R47m exceeds payouts by between R13m and R15m.

The strength of the fund, Scheepers said, was due mainly to the raising of the employer and employee contributions to 6.6% from 6.5% from January last year. At the same time the earnings ceiling to qualify for benefits was raised from R20 000 a year to R30 000.

Scheepers said from the beginning of next month the income ceiling would be raised further — to R35 000 — qualifying large numbers of additional workers for unemployment benefits.

Currently between 100 000 and 110 000 receive benefits totalling about R33m a month.

UIF reserves reach record level of R300m

Average working day payout to beneficiaries is between R1.3m and R2.5m. Since the beginning of 1985 between 38 000 and 40 000 applications for benefits had been received monthly.

So far, he said, there was no indication of a drop in the number of applications for benefits resulting from the economic revival said to be under way.

Scheepers said from 1980 the reserve fund rose steadily from R215m to R270m in 1982. It fell back to R243m in 1984.

In 1985, however, the heavy impact of the recession on employment was reflected in the reserves which plunged to R148m, when government had to bolster it with a grant of R79m.

Scheepers added the earnings ceiling had more than doubled from R15 600 in 1983 reflecting the depreciation in the buying power of the rand.
Housing request is cut down

HOUSE OF ASSEMBLY — A request by the National Housing Commission for R3.5m to build 500 self-help houses in Khayelitsha during the current financial year has been slashed to R700,000 because of the many claims on available funds, Constitutional Development and Planning Minister Chris Heunis said yesterday.

But a new area at Philippi is being investigated specifically to meet the needs of neighbouring areas for black people who cannot be accommodated in existing squatter areas.

Heunis, replying to questions from Jasper Walsh (PFP, Finkeleland), said this information was supplied by "Cape Provincial government".

"No individual loans had been granted under the self-help scheme instituted in 1987/8. Cape Town's Town Committee was responsible for approving the loans. "Khayelitsha is continuously subject to planning and development to address the housing needs — including those of squatter families — in the Cape Peninsula."

Heunis said. Where possible, interested parties had been consulted, he said.

No decision has yet been reached on the designation of a fulfil area, south of Lansdowne Road in the vicinity of Nyanga/Crossroads, as a development area, Heunis said yesterday.

The application to designate it as a development area was still under consideration, but a decision would be made as soon as possible.

Heunis would not furnish information at this stage on the planned development in the area because it was still under consideration.
The unemployed wait indefinitely for payouts

The unemploying wait indefinitely for payouts.

Mzimasi Jack, 60, said he was told that his application was still "fresh" after he had waited for three months. He is married with five children, one of whom is at a teachers' college in Transkei.

"We used to get our money after two weeks under South Africa, but now we have to wait indefinitely," said Jack.

The officer in charge at the Bisho Department of Manpower, B Mfiki, blamed delays on "incomplete" signing of documents by former employers of applicants.

Among the factors causing delays are confusion over citizenship, employers who apply in Umtata.

Field said it was "absurd" for the man to be expected to travel to Umtata every two weeks to sign.

"We used to get our money after two weeks under South Africa, but now we have to wait indefinitely," said Jack.

The officer in charge at the Bisho Department of Manpower, B Mfiki, blamed delays on "incomplete" signing of documents by former employers of applicants.
Ciskei responds to UIF delay claims

CP Correspondent

THE Ciskei Unemployment Insurance Fund could not be expected to pay out benefits in respect of an applicant whose contributions were paid to another fund, according to the homeland’s Director of Communications.

Headman Somtunzi was responding to reports in City Press that UIF payment delays were causing hardship to people in Ciskei.

In one case a man who claimed he had lived in Mdantsane for 40 years was told by the Ciskei Department of Manpower to apply in Umtata because he was a Transkeian citizen.

Somtunzi said the man had paid his contributions in Transkei.

“Ciskei’s fund cannot be expected to pay out benefits in respect of an applicant whose contributions were paid to another fund.”

Somtunzi said it was “incredible” that the man had lived in Mdantsane for 40 years, as the township was less than 40 years old.

Another case was that of Ivan Mzizi Jack, 60, who was allegedly told his application was still “fresh” after he had waited for three months.

Somtunzi said the man “has himself to blame for the delay in payment of his benefits. He continued drawing payments after he had started working at a new place.”

“To blame the Ciskei Unemployment Insurance Fund while the case of delays lies with the employers and the applicants themselves will not solve the problem.” — Elnews
Pick 'n Pay gives dads paternity leave

WORKING fathers and mothers will be able to take paid leave to care for their children in terms of a precedent-setting parental agreement concluded this week between retail giant Pick 'n Pay and the Commercial, Catering and Allied Workers' Union.

Unions in the Cosatu and Nactu folds have won maternity rights in a substantial number of organised factories, securing the jobs of women workers who take time off to bear children. In several cases they have won paid maternity leave and in a few workplaces, have won paid leave for fathers when their children are born.

The Pick 'n Pay agreement goes further by granting extensive rights to fathers as well as mothers, and to parents of adopted, as well as biological children.

Pick 'n Pay's general manager for personnel and labour relations, Franz van der Walt, said he welcomed the conclusion of the agreement. "We believe our people are our assets, and we have to see where we can make it easier for them to deal with the problems of pregnancy and parenthood," he said.

Cecwusa's Jeremy Daphne says one objective of the agreement is to encourage a more enlightened attitude towards the sharing of family responsibility by both parents. It aims to ease the burden of the "double shift" which women work by enabling fathers to share child-rearing duties.

In the agreement, the parties:

- Commit themselves to the elimination of sex discrimination.
- Acknowledge the right of men and women to hold a job while leading a normal family life, to work under healthy and safe conditions and to give their children the necessary care and attention.

The agreement, which will cover 18 000 shop-floor and managerial staff in Pick 'n Pay, allows for 11 months' parental leave, which can be shared by the mother and father or both are company employees.

Of this, nine months are paid leave. The leave can be broken up and taken any time until the child's fourth birthday.

The company will pay parents 75 percent of their wages/salaries for three months, and 30 percent for six months.

This means most women will get nine months' leave at 75 percent pay, since the Unemployment Insurance Fund provides for six months' maternity pay of 45 percent, providing a woman is receiving no more than one third of her pay during that time.

Pick 'n Pay will pay the medical aid and pension contributions of workers who take parental leave, and they will not lose status or seniority.

Every father employed by the company is entitled to eight days' paid leave at the time of confinement or adoption, one paid day off per month for the first six months of the child's life to take it for check-ups at a health clinic, and 18 days' unpaid leave, which can be taken at any time until the child is 12 years old.

"Cecwusa is calling on all fathers at Pick 'n Pay to make full and responsible use of the rights achieved for them in this agreement," Daphne said.

The agreement, which takes effect on August 1, does not require parents to be legally married.

An unusual aspect of the agreement is that it applies to parents of formally and informally adopted children.

The union believes this is very important, Daphne says, because many children in the townships without parents are cared for by relatives or strangers.

The agreement entitles adoptive parents to 10 months' leave, eight of which are paid, to care for babies up to the age of one year, and to one month's paid and two months' unpaid leave for adopted children between one and 12 years old.

Other aspects of the agreement are:
- The company will not refuse to hire women because they are pregnant.
- Women who have still-births or miscarriages are entitled to paid leave in accordance with a doctor's recommendation.
- Pregnant and nursing women will have paid time off for ante- and post-natal care.
- Pregnant and nursing women will not be required to work overtime or at night, or in areas which are dangerous for them.
- Employees will not be retrenched while on parental leave.

The parental rights granted in the agreement apply only to those who have worked for Pick 'n Pay for at least eight months.

A recent change in the Unemployment Insurance Fund (UIF) will make life easier for pregnant working women.

The fund provides for six months' maternity pay, but had previously specified that four months of this had to be paid out before the birth.

In terms of the recent amendment, the six months can be taken at any time before, during or after the birth.
Take your time ...

A shopfloor agreement on paid maternity leave, as well as unpaid leave for fathers, was recently negotiated at the Pinetown plant of James North (Africa). Claimed to be the first of its kind in the garment industry, the agreement has been hailed as a victory for "parental rights" by the Amalgamated Clothing and Textile Workers Union (Actwusa), a Cosatu affiliate.

James North's negotiator, production director Ed Bailey, takes a more modest view. Bailey says the agreement formalised long-established company policy of granting leave on "compassionate" grounds to both pregnant mothers and to fathers who requested time off during their wives' confinement. Furthermore, he added, the term "unlimited" as applied to unpaid leave now formally available to fathers in terms of the agreement, would have to withstand a test of reasonableness. (The union was naturally overjoyed at the prospect of "unlimited" paid leave for fathers.) "And if we discover that in the first year of its operation we have 10 fathers simultaneously on unlimited paternity leave, the principle of reasonableness will be tested," he warned.

Financial director Deon Botha said the direct wage costs arising from a new undertaking contained in the formal agreement to pay pregnant mothers one-third of their wages for a maximum maternity leave period of three months represented only the "tip of the iceberg" to the company. To this would have to be added production losses and re-training costs. However, he was not yet in a position to put accurate cost projections to the agreement.

Actwusa says there now exist seven maternity agreements affecting a total of 1 100 women countrywide in the textile industry. However, until the agreement reached at James North, it said, there existed no maternity protection "whatsoever" in the garment industry.

Significant features of the agreement, said Actwusa's John Eagles, included: "A guarantee of re-employment following the birth of the baby; unlimited maternity leave; financial assistance equivalent to one-third of the women workers' wage for a maximum period of three months; and unlimited paternity leave (depending on circumstances), thereby enabling fathers not only to be with their wives or girlfriends when their baby is born, but also to enable the father to play a more active role in raising children."

Actwusa not unnaturally believes the agreement represents a precedent which will be followed by other companies in the garment industry. Bailey is not so sure.

"I don't believe many companies will go down this line, because they won't be able to project costs. In our minds, we have put a cost to it, but we can do so because we are a relatively small operation. Even so, we still have to see it working in practice before we can be confident about the impact it will have," he says.
Stolen cheques: Schwarz unearths major scandal

Political Staff

PROGRESSIVE Federal Party finance spokesman Mr Harry Schwarz has unearthed a major scandal involving the theft of hundreds of inland revenue, maternity and unemployment benefit cheques.

Mr Schwarz, who was alerted to the disappearance of the cheques by a constituent, believes they are being stolen at post offices. He fears he has only uncovered the tip of an iceberg and that the number of stolen cheques could run into thousands worth hundreds of thousands of rands.

Post and Telecommunications Minister Mr Stoffel Botha has launched an investigation into the matter.

Mr Schwarz said that while the intended recipients were forced to wait for months for their payments, accounts were being opened in their names, the stolen cheques deposited and the money withdrawn.

"This thing has social as well as criminal implications," Mr Schwarz said. The people affected by the thefts were among the less well-off members of society and desperately needed the money.

Maternity benefits were supposed to assist people during their period of confinement, but he knew of cases where babies had actually been born before mothers received their cheques.

The disappearance of cheques was not limited to a few isolated cases. He had spoken to the Department of Manpower in Johannesburg where officials were being inundated with complaints about the non-receipt of cheques.

Mr Schwarz said he had complained to the Department of Manpower because it was asking people to sign forms saying they had lost the cheques before new ones were issued. The department had since stopped this procedure.
DEPARTMENT OF JUSTICE
No. R. 256 24 February 1989
DESIGNATION OF COMMISSIONERS OF OATHS IN TERMS OF SECTION 6 OF THE JUSTICES OF THE PEACE AND COMMISSIONERS OF OATHS ACT, 1963 (ACT 16 OF 1963)
Government Notice R. 20, published in Government Gazette 11658 of 13 January 1989, is hereby corrected as follows:
1. Afrikaans text:
(a) The substitution of the number 24A. for the number 15A. where it appears in paragraph (a) of the Schedule.
(b) The substitution of the number 16. for the number 5. where it appears in paragraph (b) of the Schedule.
2. English text:
The substitution of the word "Advisor" for the word "Adviser" where it appears in paragraph (a) of the Schedule.

DEPARTMENT OF MANPOWER
No. R. 272 24 February 1989
UNEMPLOYMENT INSURANCE ACT, 1966
AMENDMENT OF REGULATIONS
The Minister of Manpower has under section 62 of the Unemployment Insurance Act, 1966 (Act 30 of 1966), made the regulations set out in the Schedule.
SCHEDULE
2. Regulation 1 of the Regulations is hereby in the definition of "Regional Director" amended—
(a) by the substitution for paragraph (a) of the following paragraph:
"(a) The Magisterial Districts of Brits, Bronkhorstspruit, Cullinan, Delmas, Kempton Park, Krugersdorp, Pretoria, Randfontein, Soshanguve and Wonderboom—
The Regional Director P.W.V. Noth, Department of Manpower, P.O. Box 393, Pretoria, 0001;"
(b) by the substitution in the Afrikaans text of paragraph (e) for the word "Goodhood" of the word "Goodwood," and
(c) by the substitution for paragraph (h) of the following paragraph:

DEPARTEMENT VAN JUSTISIE
No. R. 256 24 Februari 1989
AANWYSING VAN KOMMISSARISSE VAN EDE KRAAGTENS ARTIKEL 6 VAN DIT WET OP VREDEREGTERS EN KOMMISSARISSE VAN EDE, 1963 (WET 16 VAN 1963)
Gowernementskenningswes R. 20, gepubliseer in Staatskoerant 11658 van 13 Januarie 1989, word hierby soos volg verbeter:
1. Afrikaanse teks:
(a) Die vervanging van die nommer 24A. met die nommer 15A. waar dit in paragraaf (a) van die Bylae voorkom.
(b) Die vervanging van die nommer 16. met die nommer 5. waar dit in paragraaf (b) van die Bylae voorkom.
2. Engelse teks:
Die vervanging van die woord "Advisor" met die woord "Adviser" waar dit in paragraaf (a) van die Bylae voorkom.

DEPARTEMENT VAN MANNEKRAG
No. R. 272 24 Februari 1989
WERKLOOSHEIDVERSEKERINGSWET, 1966
WYSIGING VAN REGULASIES
Die Minister van Mannekrag het kragtens artikel 62 van die Werkloosheidversekeringswet, 1966 (Wet 30 van 1966), die regulasies uiteengesit in die Bylae uitgevaardig.
BYLAE
2. Regulasie 1 van die Regulasies word hierby in die omskrywing van "Streekdirekteur" gewysig—
(a) deur paragraaf (a) deur die volgende paragraaf te vervang:
"(a) Die landrodoristrikte Brits, Bronkhorstspruit, Cullinan, Delmas, Kempton Park, Krugersdorp, Pretoria, Randfontein, Soshanguve en Wonderboom—
Die Streekdirekteur P.W.V.-Noord, Departement van Mannekrag, Postbus 393, Pretoria, 0001;"
(b) deur in die Afrikaanse teks paragraaf (e) die woord "Goodhood" deur die woord "Goodwood" te vervang:
(c) deur paragraaf (h) deur die volgende paragraaf te vervang:
UIF reserves at R600m

PRETORIA — Reserves in the Unemployment Insurance Fund (UIF) had reached a record level of R600m and actuaries were studying the possibility of improved benefits, Unemployment Insurance commissioner Jack Scheepers said at the weekend.

He said income from workers and employers now exceeded total payouts by R20m a month.

The UIF board would look at a number of possible adjustments to benefits based on the actuaries' report. These would include whether, because of the strength of the fund, contributions should be decreased or benefits rates increased.

Another option would be to extend the current maximum six-month benefit period.

Scheepers said new applications for benefits were receiving at a rate of about 40,000 a month.

Gerald Reilly

Pay-outs to an average of 120,000 beneficiaries a month amounted to between R35m and R40m a month. Payouts now totalled more than R400m.

Workers and employers each paid 0.9% of employees' earnings into the fund and the income ceiling below which workers were compelled to contribute was now R35,000.

Scheepers said the amounts paid out had varied little during the past few years.

In 1985, beneficiaries totalled 426,000 and the payout R325m; in 1986, 424,000 and R368m; in 1987, 400,000 and R383m.

Last year's figures had not yet been computed but were not expected to differ significantly. The payout was expected to be around R400m.

Academics defend UWC after unrest reports

CAPE TOWN — Large numbers of people want to work at the University of the Western Cape (UWC), according to academics and administrators who placed a half-page advertisement in the Sunday Times.

The advert was placed in response to reports of student unrest and resignations from the university's law department.

The advert — also signed by Afrikaans professor J Coetzee and Dean of Arts J C Malan — says UWC has growing lists of applicants for posts from people who want to be part of a university where the pressing issues of education are being faced. The advert also slams government's SAPSE plan on subsidising education. It says the upshot of the plan is that UWC is having to manage on 48% of the subsidy given to a white university.
In Brief...

UIF pays out R440m

THE Unemployment Insurance Fund (UIF) paid out a total of R440,4 million in benefits last year, while R739,9m was paid into the fund during the year, the Acting Minister of Manpower, Mr. Eli Louw, said yesterday.
GOVERNMENT NOTICE

DEPARTMENT OF MANPOWER

No. 1006  26 May 1989

WORKMEN'S COMPENSATION ACT, 1941 (ACT No. 30 OF 1941), AS AMENDED

I, Louis van Assen, Workmen’s Compensation Commissioner, acting under the powers vested in me by section 79 of the Workmen’s Compensation Act, 1941 (Act No. 30 of 1941), as amended, hereby withdraw the “Scale of Fees for Physiotherapists” published in Government Notice No. R. 1886 of 30 August 1985, and any amendments to such Scale of Fees, and prescribe the “Scale of Fees for Physiotherapists” inclusive of the General Rules applicable thereto, appearing in the Schedule to this notice, with effect from 1 June 1989.

The fees appearing in the Schedule are applicable in respect of payments authorised with effect from 1 June 1989 irrespective of the date of accident in respect of which payments are made.

L. VAN ASSEN,
Workmen’s Compensation Commissioner.

SCHEDULE/BYLAE

TARIFF OF FEES IN RESPECT OF PHYSIOTHERAPY SERVICES/GELD TARIEF TEN OPSIGTE VAN FISIOTERAPIE DIENSTE

GENERAL RULES GOVERNING THE TARIFF/ALGEMENE REËLS VAN TOEPASSING OP DIE TARIEF

001 Unless timely steps are taken to cancel an appointment for a consultation the relevant consultation fee shall be payable by the workman/Tensy steppe vroegtydig gedoen word om ‘n afspraak van ‘n konsultasie te kanselleer, sal die werksman aanspreeklik wees vir konsultasiegeld.

002 In exceptional cases where the tariff fee is disproportionately low in relation to the actual services rendered by a practitioner, a higher fee may be negotiated. Conversely, if the fee is disproportionately high in relation to the actual services rendered, a lower fee than that in the tariff should be charged/In buitegewone gevalle waar die tariefgeld te laag is in vergelyking met die werklige dienste deur ‘n praktisyn gelewer, is hoër gelde onderhandelbaar. Aan die anderkant, as die gelde buite verhouding hoog is in vergelyking met die werklike dienste gelewer, moet ‘n laer bedrag as die in die gelde tarief aangegee word, gevaar word.

003 The services of a physiotherapist shall be available only on referral by a medical or dental practitioner/Die dienste van ‘n fisiotherapeut is beskikbaar slegs na ‘n verwysing deur ‘n mediese praktisyn of tandarts.

11882—1
Why UIF is overflowing with cash

REPORTS that reserves in the unemployment insurance fund (UIF) had soared to a record R550-million at the end of June have prompted calls for renegotiation of benefits and reorganisation of the board.

The National Unemployed Workers' Co-ordinating Committee (NUWCC), a Congress of South African Trade Unions project, said there were many reasons for the growth in the funds reserves, said to be growing at a rate of about R20-million a month, the result of there being no representatives from the major federations on the board.

Although about 125,000 people were receiving benefits from the fund at the end of June, a NUWCC spokesman said one reason why the fund was growing was that many thousands who were eligible for benefits did not receive them.

"To claim benefits a worker must hand in his UIF card and is given a brown card stating that he is a workseeker and has applied for benefits. But most employers want to see the UIF card which bears the reason for his unemployment. So many workers would rather keep their cards and look for jobs than register for benefits," he said.

"If they haven't registered within nine months they lose their right to benefits and have to work for three months again before they can apply.

A major factor is that migrant workers have to return to their homeland to apply for benefits. Although they're supposed to get these after two weeks they often have to wait months before getting them, then they have the expense of travelling to the homeland.

Many simply forgo their benefits to stay in an urban area seeking fresh employment.

And large sectors of the workforce such as farm labourers, domestic workers and some State employees pay no contributions and are excluded from receiving benefits.

Many workers believed that the 45 percent of last earnings was too small, and was only hardship relief rather than a proper social security benefit.

"If someone has worked for three years the maximum period for which they are eligible for benefits is 26 weeks but many do not know that if they have worked for more than three years they can apply for extended benefits," said the NUWCC spokesman.

Even healthier

"And, while increased employer and employee contributions have contributed to the strength of the fund, it must also be pointed out that it could be even healthier and in a state to pay better benefits to all those eligible.

"Some of its income comes from investments but we have professional advice that the fund is not making the best use of its investment opportunities.

"One of the reasons for this is that while employers and employees contribute equally to the fund, the majority of workers are not represented and therefore play no part in the decision-making process.

He said the NUWCC believed that workers were poorly informed about their unemployment benefit rights and was starting a campaign to correct this.

"And we also believe that worker representatives should have the say over fund investment and benefits," he said.
WITH the economy on the downswing more people, especially the unskilled, are likely to find themselves without a job.

They will need everything within their grasp to keep the wolf at the door and the Unemployment Insurance Fund (UIF) can provide temporary relief.

Mr Jack Scheepers, unemployment insurance commissioner, says UIF is not a savings or pension fund, but is a form of insurance against temporary unemployment.

Many people contribute to the fund during their working life, but because of ignorance or negligence do not apply for the benefits when they lose their jobs.

The procedure, says Mr Scheepers, is that a fund member should lodge his or her application with the local Manpower centre (offices of the Department of Manpower) soon after becoming unemployed. Those living in so-called self-governing territories like kwaZulu and kaNgwane and in areas where there are no manpower centres should apply at local magistrate's offices.

Sr Scheepers adds that a member can lodge an application even if his "blue card" has not been released or endorsed by his past employer. If the application is in order, it usually takes between four to six weeks before benefits are paid out.

The fund pays out 45 percent of the last normal earnings of the member for six months. However, if a member has contributed for longer than three years he can apply for an extension of the benefits for up to 12 months.

Employers and employees (earning less than R25,000 a year) contribute 0.9 percent to the UIF. For a member who earns R200 a month the contribution would amount to R1.80 a month.

Last year the UIF paid out R440 million in benefits to 406,000 beneficiaries. The figure might increase this year as the number of new applications has increased to 40,000 a month, compared with with last year's figure which averaged between 38,000 and 39,000.

The Unemployment Insurance Fund was formed to insure workers for five specific purposes: insurance against temporary loss of employment, maternity benefits, adoption of children, illness and death benefits for the direct dependants of a member in case the member dies.

However, an article in the latest IPM (Institute of Personnel Management) Journal says the present UIF provisions are available to a limited number of women. The unemployed, agricultural, domestic and casual women employees are excluded.

Benefits are directly related to the existence of past earnings and the level thereof. The UIF system is reportedly marred by bureaucratic inefficiency and many women report that benefits are received only four to six weeks after applications have been lodged.

"Women who lose their jobs permanently due to pregnancy may not claim UIF unemployment benefits because the Department of Manpower maintains that they have already claimed for maternity benefits from the fund. Women who are the citizens of the independent states may no longer claim under the South African scheme," the article said.

An unemployed woman may be paid adoption benefits for a period not exceeding 26 weeks starting not earlier than the date on which she legally adopts a child under two years of age whether or not she is capable of and available for work.

No adoption benefits will be paid unless the application is made within 32 weeks from the date of adoption and unless the woman was in employment as a contributor for at least 19 weeks during the 52 weeks preceding adoption.
Huge rise in UIF reserves to a record total of R750m

PRETORIA — Unemployment Insurance Fund (UIF) reserves had risen to a massive record total of R750m by the end of September, Unemployment Insurance Commissioner Jack Schepers said in an interview yesterday.

Income from employees' and employers' contributions amounted to R610m in the nine months from January to September compared with R530m in the same period last year.

The number of beneficiaries also increased during the period by 48,000 to 380,000 and they received R460m in benefits compared with R329 last year.

Currently, income is running ahead of expenditure by between R20m and R30m a month.

Schepers said last year interest earned on investments amounted to about R30m.

This year, because of higher interest rates and a larger amount invested, the return would be much greater.

As the rate of new unemployment remains low, said Schepers, and the number of beneficiaries is growing, the surplus in the fund was to be kept.
Social Security—Unemployment Insurance

1990
The Unemployment Insurance Fund (UIF) boosted its reserves to R544.1 million during 1988, an increase of R234.4 million over the previous year.

The UIF annual report, which was tabled in Parliament yesterday, stated that income during the year rose almost R133 million to R709.2 million, while expenditure increased from R461.4 million to R526.1 million.

The fund paid out R292.2 million in unemployment benefits, R74.6 million in maternal benefits, R54.9 million in sickness claims and R27.7 million to dependents of deceased contributors.

The report states that the rise in the maximum earnings ceiling from R30 000 to R36 000 a year was largely responsible for the rise in the reserves from R309.6 million in 1987 to R544.1 million in 1988. In 1988 reserves totalled only R171.3 million.

The higher reserves allowed the UIF to repay R25 million of a R75 million 1985 government loan. Administration costs were R33.6 million last year.
Warrant for Winnie is issued

JOHANNESBURG. — A warrant of arrest was issued yesterday for Mrs Winnie Mandela, wife of ANC deputy president Mr Nelson Mandela, for failing to appear in the Magistrate’s Court here on allegations of failure to pay unemployment fees for her workers.

A warrant for Mrs Mandela’s arrest was authorised on March 16, but was held back till March 30 to enable her to make a later appearance in court.

The warrant was formally issued yesterday because Mrs Mandela made no subsequent appearances.

According to documents before the court, Mrs Mandela has allegedly failed to pay and render statements for employees at a business owned by her, Richmond Fish and Chips.

The charges relate to the period January 1 to December 31 last year. — Sapa
Mandela talks to exiles

LUSAKA. — Mr Nelson Mandela began talks with exiled leaders of the ANC at a secret venue in Zambia yesterday.

“They are not going to tell anyone where they are meeting. The talks started yesterday and they need peace for their discussions,” ANC spokesman Mr Tom Sebina said.

Mr Mandela, the ANC’s deputy president, arrived in Lusaka on Sunday for a two-day visit and immediately briefed Zambia’s President Kenneth Kaunda on events in South Africa.

The ANC, which postponed exploratory talks with Mr F W de Klerk recently, will meet Mr De Klerk in Cape Town on May 2.

The ANC is demanding the lifting of the state of emergency, the release of all political prisoners, the scrapping of repressive laws and the removal of troops from black townships before they will agree to end hostilities. — Sapa-Reuter

Winnie’s R100 fine admits guilt

JOHANNESBURG. — Mrs Winnie Mandela has paid a R100 fine for failing to pay unemployment insurance for workers at her Richmond fish and chip shop, senior Johannesburg public prosecutor Mr Kevin Atwell said yesterday. Mrs Mandela has also paid insurance arrears to the Department of Manpower. A warrant for her arrest has been withdrawn. — Sapa
No text content is visible in the image.
Increase in demands for UIF-payouts expected

PRETORIA — Demands on the Unemployment Insurance Fund (UIF) could be expected to rise sharply this year, with increased unemployment certain to follow in the wake of the slowing economy, economists said yesterday.

Although the Manpower Department declined to release the latest figures, it is known the fund is in a strong position to meet the expected increased benefit payouts.

For months the contributions of employees and employers have exceeded payouts from the fund.

According to the UIF’s 1988 annual report released earlier this year, the amount in the fund at the close of 1988 was R544,1m — an increase of R234,4m compared with 1987.

Total income during the year amounted to R798,2m and expenditure to R525,1m.

Volkskas economist Adam Jacobs said early indications of the braking of the economy were noticed some months ago but in recent weeks the downturn had accelerated.

Jacobs said the mood among businessmen was marked by uncertainty and anxiety caused mainly by the volatile political climate and signs of a sharp economic slowdown.

All relevant indicators, he said, pointed to zero growth this year which meant not only that new-comers to the labour market would look in vain for jobs, but that lay-offs of those currently employed seemed inevitable.

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NATIONAL EMPLOYERS GENERAL INSURANCE COMPANY LIMITED
("NEG")

Announcement

Standard Merchant Bank Limited is authorised to announce that, following initial responses from a number of interested parties to an offer for the sale of National Employers Mutual General Insurance Association Limited’s ("NEMGIA") 73% shareholding in NEG, negotiations are continuing with those prospective purchasers whose indicative offers approximated the expectations of NEMGIA. Finality regarding the purchase of NEMGIA’s shares should be reached early in June 1990.

The Board of Directors of NEG wish to emphasise that it is their considered belief that the sale of NEMGIA’s shareholding should in no way affect NEG’s business which has been conducted on a sound basis in South Africa for over 40 years.

Johannesburg
17 May 1990
UIF reserves nearing R1bn

GERALD REILLY 201
PRETORIA — Unemployment Insurance Fund (UIF) reserves are expected to exceed R1bn within the next two or three months.

Unemployment Insurance commissioner Jack Scheepers said at the weekend that by the end of March the reserves had reached the record level of R1.045bn. It is estimated that the reserves will exceed R1bn by the end of May.

The monthly income from contributions by employers and employees exceeded pay-outs to beneficiaries by more than R10m.

Latest figures showed benefit payments were fluctuating between R6m and R8m a month against an income of R10m to R12m. With administrative costs, the fund's monthly expenses amounted to between R6m and R8m.

Scheepers said the number of beneficiaries varied between 120,000 and 140,000 a month, with 22,000 to 45,000 new applications for benefits.

He pointed out more than 40,000 unemployed beneficiaries a month fell away after receiving the maximum of six months' payments. If they found employment and again became unemployed after 21 days they could re-apply for relief.

The main reason for the high level of the UIF was the raising of the ceiling of employer and employee contributions to 0.9% of an employee's earnings in June 1987.

Another had been the lifting of the earnings ceiling below which workers could qualify for benefits.

Economists said the fund's reserves ensured it would be able to absorb any strain resulting from the expected increase in unemployment this year.
Chaos as Zimbabwe police hit strikers

HARARE — The centres of Zimbabwe's two major cities were thrown into chaos yesterday morning when riot police used teargas and batons to break up meetings of striking teachers, income tax assessors and government Salary Bureau staff.

In Harare's African Unity Square several children, some as young as six, were knocked down in the stampede to escape a barrage of teargas.

In Bulawayo, baton-wielding riot squad members failed to distinguish shoppers from 3,000 demonstrating teachers.

"This is war. This is only the beginning," said one teacher in Harare, a former guerrilla.

"The government should never have used violence to attack peaceful demonstrations."

The government claims only 12% of Zimbabwe's 84,000 non-graduate teachers are on strike demanding a 33% pay rise back-dated to March 1, when their university-trained colleagues won an increment. But, most primary schools remained closed yesterday as the strike entered its second week.

It is believed up to 6,000 civil servants have stopped work.

President Robert Mugabe flies back today from a state visit to Malaysia and Indonesia to confront the wave of industrial unrest.

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State to stop paying UIF contribution

Political Staff

CAPE TOWN — The state's contribution to the Unemployment Insurance Fund (UIF) is to end in terms of an amendment to the Unemployment Insurance Act tabled in Parliament yesterday.

In terms of Section 29 of the present Act the state must contribute to the fund — on an annual basis — an amount equal to 25% of annual contributions to the fund to a maximum of R7m.

Contributions to the UIF have, however, increased to such an extent that the present contribution of the state amounts to just 0.72% of the total paid into the fund.

The memorandum attached to the Bill states that in 1989 contributions by nearly 150,000 employers and 5.5-million contributors amounted to some R967m. As a result the maximum contribution made by the State of R7m had "very little effect" on the fund.

The Bill does provide, however, that if at any stage because of claims by contributors the UIF is unable to meet its financial commitments, the state may still make an advance to the fund.

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There are some loans from.
State payments to UIF to stop

Political Staff

THE state's contribution to the Unemployment Insurance Fund (UIF) is to end in terms of an amendment to the Unemployment Insurance Act tabled in Parliament yesterday.

In terms of Section 23 of the present Act the state must contribute to the fund an amount equal to 20% of the annual contributions to the fund to a maximum of R7 million.

Contributions to the UIF have, however, increased to such an extent that the present state contribution amounts to just 7,2% of the total.

The memorandum attached to the Bill states that in 1989 contribution by nearly 156,000 employers and 5,2 million contributors amounted to some R967 million. As a result, the state's contribution had "very little effect".

The Bill does provide, however, that if the UIF is unable to meet its financial commitments the state may still make an advance to the fund.
The Minister of National Education

The Minister of National Education is responsible for the formulation, implementation, and coordination of policies and programs related to education. This includes overseeing the education sector, ensuring the quality of education, and managing educational resources. The Minister is also responsible for the development of the education sector, including the formulation of long-term educational strategies and plans.

The Minister of National Education is appointed by the President and serves a term of five years. The Minister is assisted by the Deputy Minister of National Education and is advised by the National Advisory Council on Education.

The Minister of National Education is also responsible for the coordination of educational activities with other government departments and agencies, as well as with international organizations and partners.

The Minister of National Education is required to present an annual report to Parliament on the state of the education sector and the progress made in implementing the government's educational policies.

The Minister of National Education is also responsible for ensuring that the education sector is adequately funded and that funds are used efficiently and effectively.

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### The Ministry of Education

**Minister**

The minister shall maintain the records of the Boards of Directors of the institutions of higher education in the Ministry of Education.

**Board of Directors**

The Board of Directors of the institution of higher education shall maintain a record of all the courses offered by the institution.

**Students**

Students of the institution shall provide their student identification number to the institution.

**Teachers**

Teachers of the institution shall maintain a record of all the courses taught by them.

**Projects**

Projects conducted by the institution shall be recorded in the Ministry of Education.

### Table: Black State Independent Education

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLACK STATE ESSAY INDEPENDENT</td>
<td>1990</td>
</tr>
<tr>
<td>122 197</td>
<td>74.28</td>
</tr>
<tr>
<td>17.58</td>
<td>89.5</td>
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<td>77.59</td>
<td>130.5</td>
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<tr>
<td>351.76</td>
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<tr>
<td>201.94</td>
<td>33.71</td>
</tr>
<tr>
<td>351.76</td>
<td>98.63</td>
</tr>
<tr>
<td>201.94</td>
<td>33.71</td>
</tr>
</tbody>
</table>

**Note:**

- The Ministry of Education is responsible for the maintenance of records of all educational institutions within the state.
- The Board of Directors ensures that all courses offered meet the educational standards set by the Ministry.
- Students are required to provide their identification numbers to the institutions they attend.
- Teachers are responsible for maintaining records of courses taught.
- Projects conducted by educational institutions are recorded for future reference and evaluation.
3 257 UIF cheques lost

A TOTAL of 3 257 unemployment insurance fund cheques were lost during the 1988-89 financial year, Manpower Minister Eli Louw said yesterday. (301)

Replying to a question from Lester Fuchs (DP Hillbrow), he said 1 404 of the lost cheques had been re-issued, while 1 853 were still receiving attention. (311)

Regarding the cost involved in re-issuing cheques and dealing with the outstanding batch, Louw said the department concerned had suffered no financial loss as a result of replacing the 'wayward' cheques. — Sapa
R55m for jobless

ALTHOUGH R55-million a month is being paid to 120,000 beneficiaries, reserves of the Unemployment Insurance Fund should meet claims, says the Department of Manpower. Reserves were slightly more than R1-billion at June 30.
Office under threat without sponsors

A REGISTERED welfare and fund-raising organisation, the Western Cape Unemployment and Advice Office, is in danger of closing down because of a lack of funding, its director said yesterday.

Mr Abdurajem Booth said six of the organisation's eight offices had already closed down, and the remaining two would shut soon unless the organisation received sponsorship.

Former sponsors, Warner Lambert, Caltex and Permanent Homes have withdrawn their sponsorship because of the "deteriorating economic situation", he said.

The welfare organisation, headquartered in Weltevrede Shopping Centre, Athlone, has 7,200 unemployed people on its books who "would suffer if it closed down".

"We are making a desperate appeal for clothing companies to come forward with clothing and blankets and for food companies to come forward with food parcels," Mr Booth said.

He also appealed for sewing machines, which "unemployed people could use to make clothing items for resale purposes. This is in keeping with the organisation's philosophy which is to help people, to help themselves, sometimes by funding people for suitable training."
MILLIONS of unemployed black people covered by the Unemployment Insurance Fund will be relieved to know the fund has enough reserves to meet present obligations.

This comes at a time when economists are painting a bleak picture of employment prospects as a result of the economic slowdown.

According to Azar Jammine, of the economic forecasting bureau Econometrica, about two million new workers would be unable to find employment during the next two years.

Jammine said the economy was unlikely to grow fast enough to absorb new job seekers.

Manpower Department director-general Daniel Fourie said UIF benefits amounting to R55 million a month were paid to 140,000 beneficiaries.

Fourie said UIF reserves amounted to R1-billion at the end of June this year. In terms of the Unemployment Insurance Act, Fund reserves were invested in government and semi-government stocks, he said.

"Although new claims for benefits increased from 41,000 a month last year to an average of just more than 50,000 this year, the reserves are sufficient to meet present obligations.

"To cope with vast increases in unemployment, the building-up of the reserve fund is continuing."
Downturn sees claims for UIF benefits surge

GERALD REILLY (30)

PRETORIA — Unemployment claims have increased from 41 000 to 51 000 a month since this time last year, reflecting the economic downturn.

However, funds are accumulating in the unemployment insurance fund (UIF) by R10m a month in spite of rising unemployment and increased claims. The amount in the fund is about R1,1bn. Income is estimated at R75m a month and payouts to beneficiaries at R65m a month.

The fund is supported by payments from 164 000 employers and 5,5-million employees.

Economists warn that the fund will come under increasing pressure as the downturn continues. Volkekas economist Adam Jacobs said the trend was reflected in the latest Central Statistical Service debt figures.

These show that in the three months to the end of July, the number of summons for debt increased by 15% to 252 968 compared with May-July last year.

Civil judgments also increased in the three months by 13.5% to 157 313.

Jacobs said demand conditions in the economy would continue to weaken and pressure on company profits would intensify.

More companies were finding themselves ill-equipped to withstand the pressures and would go under. Individual insolvencies would also increase.

But UIF managers are confident the fund is strong enough to weather any storm before the economy starts to pull out of recession and employment increases.
Winnie Mandela fined on UIF charges

Winnie Mandela, wife of ANC deputy president Nelson Mandela, was convicted and sentenced in the Johannesburg Magistrate's Court yesterday to a fine of R250 or 10 days in jail after pleading guilty to charges of not paying Unemployment Insurance Fund contributions for two of her workers.

Her lawyer, Zama Ayo, said yesterday Mandela paid the fine.

Magistrate S J Janse van Rensburg found her not guilty of contempt of court.

A summons was issued on September 13 for Mandela's failure to pay UIF contributions between January 1 and August 10 for two staff members at the fish and chips shop in Empire Road, Richmond, in which she has an interest.

The charges also related to her failure to submit a statement for the first six months of this year and to endorse a UIF return form to the fund.
Soaring UIF payouts mark job losses

Own Correspondent
PRETORIA — Soaring demands for benefits from the Unemployment Insurance Fund (UIF) reflect an increasingly alarming employment problem, economists say.

According to Unemployment Insurance Commissioner Mr Jack Scheepers, new applications for benefits increased in October by more than 26% to 54,000. Last month beneficiaries totalled 161,000 — one of the highest figures for years.

Benefits payouts during 1989 totalled R622m. This year so far benefits have soared to R632m.

Another indicator pointing to the extent of unemployment is that this time last year the surplus of income over expenditure amounted to some R23m a month. This has fallen to a surplus of R15m.

The fund itself, however, is at a record level of R1,1bn. During the first 10 months of the year its income totalled R742m against payouts of R632m.

Econometrix chief economist Mr Azar Jammie said the fund statistics confirmed a worsening unemployment problem.

If the economy was going backwards, jobs had to be lost. The increase in demands for benefits showed that even workers usually in a stable employment situation were losing their jobs.
New UIF benefit applications soaring

PRETORIA — New applications for Unemployment Insurance benefits increased in October by more than 25% to 94 000, says commissioner Jack Schepers.

And economists say the soaring demand reflects an increasingly alarming employment problem.

Last month the number of beneficiaries totalled 181 000 — one of the highest figures for years. Benefits payouts for 1989 totalled R562m. This year benefits soared to R632m in only 10 months.

Surplus of income over expenditure this time last year amounted to some R232m a month. This has fallen dramatically to a surplus of R5m. The fund itself however, is at a record level of R1,1bn. During the first 10 months of the year its income totalled R745bn against payouts of R635m.

The number of employers subscribing to the fund was now 185 000, with employees totalling in excess of 5,5-million.

Econometrix chief economist Azar Jammine said the fund statistics confirmed a worsening unemployment problem.

If the economy was going backwards, jobs had to be lost. The increase in demands for benefits showed even workers normally in a stable employment situation were losing their jobs.

GERALD REILLY
Troops replacing cops at border posts

SADF—troops are to replace police at a number of border posts from December 7 to make the policemen available for other tasks.

This was disclosed by the army's directorate of public relations in Pretoria at the weekend.

Police will remain responsible for all legal procedures at the border posts and the army will exclusively be used for the search of vehicles, patrols and the safety of the border posts.

The South African Military Police will be responsible for the training and control of the troops.

The first training course, which focuses mainly on the tracing and identification of drugs and explosives, has already been completed.

Among the border posts to be manned are Beit Bridge and Pomádrif on the northern border, Komunting and Oshock on the eastern border, Onverwacht in Natal and Coledonspoort, Maseru Bridge and Van Roonen's Gate in the Free State.

The first group to be deployed consists of national servicemen, members of 32 Battalion and dog handlers from the military police. - Sowetan Correspondent

Employment act

Talks will have to be held with all groups before the Unemployment Insurance Act and the Basic Conditions of Employment Act can be made applicable to the agricultural sector, Manpower Minister Eli Louw said at the weekend. - Sowetan
The National Manpower Commission (NMC) was requested to submit fully substantiated recommendations regarding the following:

(a) The manner in which the amendment Bill should be implemented. The general feeling of the Unemployment Insurance Board is that all agricultural workers should be admitted simultaneously to the Unemployment Insurance Fund, but that a period of grace of 12 to 24 months could be allowed, after the coming into operation of the Act, for all employers in agriculture to register with the Fund. It would, inter alia, enable the Fund and the Department to adjust their staff structure. In South Africa there are approximately 66 000 farmers who employ almost 1,3 million farm workers and the inclusion of the farm workers would certainly have considerable financial and administrative implications for agricultural workers and the Unemployment Insurance Fund. Any practical proposals to relieve the administrative implications of the extension of this Act would be appreciated.

(b) The manner in which the nearly 550 000 seasonal workers, who are employed annually in agriculture, should be dealt with.

(c) Dealing with part-time employees, casual workers and contract workers in view of the provisions of section 2 of the Act.

(d) The calculation and recording of payments in natura. According to the Central Statistical Service’s Agricultural Survey of 1987 the cash remuneration in the agricultural sector amounted to R1 343 million and the in natura payments to R408 million.

(e) Serving the agricultural workers. A large percentage of agricultural workers are far removed from the nearest town or city and also from the nearest Unemployment Insurance Office. The question which needs to be answered is how it would affect unemployed contributors in agriculture, especially if it is taken into consideration that when a farm worker loses his job, his whole family often has to leave the farm with him to find a livelihood elsewhere.

(f) Recommendations on the formulation of possible amendments to the Act.

In par. 5 of its report the NMC indicated that the report was only provisional because it was not possible for the NMC to liaise with the office of the Unemployment Insurance Commissioner during the investigation in respect of recommendations on the administration of the Fund. The investigation of the administration of the Fund was, however, not referred to the NMC in terms of section 2D (1) (b) of the Labour Relations Act, 1956 (Act 28 of 1956). There is a standing invitation that requests for liaison be addressed to the Director-General.

2. Instruction

By direction of Mr Eli Louw, Minister of Manpower, the report of the National Manpower Commission on the inclusion of farm workers under the Unemployment Insurance Act, 1966, is published in the Schedule hereto for general information and comment.

Die Nasionale Mannekragkommissie (NMK) is versoek om volledig gemotiveerde aanbevelings oor die volgende te doen:

(a) Die wyse waarop die Wysigingswetontwerp geïmplementeer moet word. Die algemene gevoel van die Werkloosheidsverekeringsraad is dat alle landbouwerwakers gelyktydig tot die Werkloosheidsverekeringsfonds toegelaat moet word, maar dat daar 'n grasietydperk van 12 tot 24 maande na die inwerkingstelling van die Wet vereen moet word vir alle werkgewers in die landbou om by die Fonds te registreer. Dit sal onder andere die Fonds en die Departement in die geleentheid stel om hulle postestruktuur aan te pas. Suid-Afrika het ongeveer 66 000 boere, wat sowat 1,3 miljoen plaaswerkers in diens het, en die insluiting van die plaaswerkers sal sekere aansienlike financiële en administratiewe implikasies vir die landbou en die werkloosheidsverekeringsfonds hê. Enige praktiese voorstelle om die administratiewe implikasies van die uitbreiding van hierdie Wet te verlig, sal waardeer word.

(b) Die wyse waarop die nagenoeg 550 000 seisoenswerkens wat jaarliks in die landbou in diens is, hanteer behoor te word.

(c) Die hantering van deeltydse werknemer, los werknemers en kontrakwerkers in die lig van die bepaling van paragraaf 2 van die Wet.

(d) Die berekening en rekordhouding van in natu-vergoeding. Volgens die Sentrale Statistiek diens se landbou-opname van 1987 het kontantvergoeding in die landbou daardie jaar R1 343 miljoen bedra en die waarde van in natu-vergoeding R408 miljoen.

(e) Die bediening van landbouwerwakers. 'n Groot persentasie landbouwerwakers is ver verwys van die naaste dorp of stad en uitgeraad ook van die naaste Werkloosheidsverekeringskantoor. Die vraag wat beantwoord moet word, is hoe dit werkloze bydraers in die landbou sal raak, veral as in ag geneem word dat wanneer 'n plaaswerkser sy werk verloor, sy hele gesin dikwels saam met hom die plaas moet verlaat en 'n ander heenkome moet vind.

(f) Aanbevelings oor die formulering van moontlike wetswysings.

In par 5 van sy verslag dui die NMK aan dat dit net 'n voorlopige verslag is omdat dit nie vir die NMK moontlik was om ten tyd van die ondersoek ten opsigte van aanbevelings oor die administrasie van die Fonds met die kantoor van die Werkloosheidsverekeringskommissie rekening hê nie. Die onderzoek na die administrasie van die Fonds is egter nie kragtiges artikel 2D (1) (b) van die Wet op Arbeidsverhoudinge, 1956 (Wet No. 28 van 1956), na die NMK verwys nie. Daar is 'n staande uitnodiging dat versoek om skakeling aan die Direkteur-generaal gereg kan word.

2. Opdrag

In opdrag van mnr Eli Louw, Minister van Mannekrag, word die verslag van die Nasionale Mannekragkommissie oor die insluiting van plaaswerkers onder die Werkloosheidsverekeringswet, 1986, in die Byl hieronder vir algemene inligting en kommentaar gepubliseer.
The National Manpower Commission (NMC) was requested to submit fully substantiated recommendations regarding the following:

(a) The manner in which the amendment Bill should be implemented. The general feeling of the Unemployment Insurance Board is that all agricultural workers should be admitted simultaneously to the Unemployment Insurance Fund, but that a period of grace of 12 to 24 months could be allowed, after the coming into operation of the Act, for all employers in agriculture to register with the Fund. It would, inter alia, enable the Fund and the Department to adjust their staff structure. In South Africa there are approximately 66,000 farmers who employ almost 1,3 million farm workers and the inclusion of the farm workers would certainly have considerable financial and administrative implications for agriculture and the Unemployment Insurance Fund. Any practical proposals to relieve the administrative implications of the extension of this Act would be appreciated.

(b) The manner in which the nearly 550,000 seasonal workers, who are employed annually in agriculture, should be dealt with.

(c) Dealing with part-time employees, casual workers and contract workers in view of the provisions of section 2 of the Act.

(d) The calculation and recording of payments in natura. According to the Central Statistical Service’s Agricultural Survey of 1987 the cash remuneration in the agricultural sector amounted to R1 343 million and the in natura payments to R408 million.

(e) Serving the agricultural workers. A large percentage of agricultural workers are far removed from the nearest town or city and also from the nearest Unemployment Insurance Office. The question which needs to be answered is how it would affect unemployed contributors in agriculture, especially if it is taken into consideration that when a farm worker loses his job, his whole family often has to leave the farm with him to find a livelihood elsewhere.

(f) Recommendations on the formulation of possible amendments to the Act.

In para. 5 of its report the NMC indicated that the report was only provisional because it was not possible for the NMC to liaise with the office of the unemployment insurance commissioner during the investigation in respect of recommendations on the administration of the Fund. The investigation of the administration of the Fund was, however, not referred to the NMC in terms of section 2D (1) (b) of the Labour Relations Act, 1956 (Act 28 of 1956). There is a standing invitation that requests for liaison be addressed to the Director-General.

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(b) Die wyse waarop die nagenoeg 550 000 seisoenswerkens wat jaarliks in die landbou in diens is, hanteer behoort te word.

(c) Die hantering van deeltydse werknemers, los werknemers en kontrakwerkers in die lig van die bepaling van artikel 2 van die Wet.

(d) Die berekenking en rekordhouding van in natura-vergoeding. Volgens die Sentrale Statistieke-diens se landbou-opname van 1987 het kontantvergoeding in die landbou daardie jaar R1 343 miljoen bedra en die waarde van in natura-vergoeding R408 miljoen.

(e) Die bediening van landbouwerkens. ’n Groot persentasie landbouwerkens is ver verwyder van die naaste dorp of stad en uiteraard ook van die naaste Werkloosheidsversekeringskantoor. Die vraag wat beantwoord moet word, is hoe dit werkloze bydraers in die landbou sal raak, veral as in ag geneem word dat wanneer ’n plaaswerkster as werk verlor, sy hele gesin dikwels saam met hom die plaas moet verlaat en ’n ander heenkome moet vind.

(f) Aanbevelings oor die formulering van moontlike wetswyssings.

In par 5 van sy verslag dui die NMK aan dat dit net ’n voorlopige verslag is omdat dit nie vir die NMK moontlik was om ten tyde van die ondersoek ten opsigte van aanbevelings oor die administrasie van die Fonds met die kantoor van die Werkloosheidsversekeringskommissaris skakeling te hê nie. Die ondersoek na die administrasie van die Fonds is egter nie kragtens artikel 2D (1) (b) van die Wet op Arbeidsverhoudinge, 1956 (Wet No. 28 van 1956), na die NMK verwys nie. Daar is ’n staande uittrediging dat versoek om skakeling aan die Direkteur-generaal geraak kan word.

2. Opdrag

In opdrag van mnr Eli Louw, Minister van Mannekrag, word die verslag van die Nasionale Mannekragkommissie oor die insluiting van plaaswerkers onder die Werkloosheidsversekeringswet, 1956, in die Blye hieronder vir algemene inligting en kommentaar gepubiseer.
3. Comments Invited

(a) All interested parties are hereby invited to submit written comments on the NMC report as soon as possible. Comments should be forwarded to the Director-General: Manpower, P.O. Box 5703, Pretoria, 0001, for attention Mr Jack Scheepers, Telephone (012) 322-7085.

(b) Comments should reach the Director-General not later than 1 February 1991.

(c) The comments, together with the recommendations of the NMC and the reaction of the Government thereto will be translated into a draft Bill by the Department of Manpower. This draft Bill will be published for comment in the *Gazette* as soon as possible. Thereafter a final Bill will be drawn up by the Department of Manpower for submission to the Government.

(d) Comments on paragraphs 1 (a) to (f) above also, would be appreciated.

(e) Where comments are offered on the provisions of the Unemployment Insurance Act state clearly to which section, subsection or paragraph of the Act the comment has reference.

(f) The name, telephone number, fax number and address of a person who may be contacted in regard to the comments should also be stated clearly.

The report of the NMC was received by the Department on 30 November 1990 and it had to be translated into English before it could be published on 21 December 1990.

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3. Kommentaar

(a) Alle belanghebbendes word hierby versoek om so spoedig moontlik skriflik kommentaar op die NMK-verslag te lever. Kommentaar moet gestuur word aan die Direkteur-generaal: Mannekrag, Posbus 5703 Pretoria, 0001, vir aandag mnr. Jack Scheepers, Telefoon (012) 322-7085.

(b) Die kommentaar moet die Direkteur-generaal nie later as 1 Februarie 1991 bereik nie.

(c) Die kommentaar sal, saam met die aanbevelings van die NMK en die Regering se reaksie daaraan, deur die Departement van Mannekrag in 'n konsepswetsontwerp verwerk word. Hierdie wetsontwerp sal so gou moontlik in die Staatskoerant vir kommentaar gepubliseer word. Daarna sal die Departement van Mannekrag 'n finale wetsontwerp opstel vir voorlegging aan die Regering.

(d) Kommentaar oor paragrawe 1 (a) tot (f) hierbo sal ook waardeer word.

(e) Waar kommentaar gelever word oor die bepaling van die Werkloosheidsversekeringswet, moet duidelik gemeld word op watter Artikel, subartikel of paragraaf van die Wet die kommentaar betrekking het.

(f) Die naam, telefoonnommer, faksnommer en adres van 'n persoon met wie oor die kommentaar gestakel kan word, moet ook duidelik gemeld word.

Die NMK se verslag is op 30 November 1990 deur die Departement ontvang en moes tot 21 Desember 1990 gepubliseer kan word.

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**SCHEDULE**

**NATIONAL MANPOWER COMMISSION**

A. INTRODUCTION

1. During the discussion of his budget vote on 27 April 1990 the Minister of Manpower announced that the inclusion of farm workers under the Unemployment Insurance Fund was receiving attention and that draft legislation in this regard would be submitted during the 1991 Parliamentary session. It has therefore been decided in principle that farm workers should be included under the Unemployment Insurance Act.

2. The Minister accordingly requested the NMC on 14 September 1990 to make recommendations to him on problems concerning the inclusion of farm workers under the Unemployment Insurance Fund, as set out in his letter.

3. Certain proposals with regard to the problems identified are discussed below.

4. It should, however, be emphasised that the recommendations in this document are the provisional recommendations of the NMC. It would be preferable to discuss them with the Department of Manpower (DMP), since the administrative implications of the recommendations on the Unemployment Insurance Fund could not be investigated thoroughly without the contribution of the DMP.

B. PROPOSALS ON PROBLEMS THAT ARE FORESEEN IN THE APPLICATION OF THE ACT TO THE AGRICULTURAL SECTOR

1. INFORMATION CAMPAIGN IN RESPECT OF THE APPLICATION OF THE ACT ON THE AGRICULTURAL SECTOR

1.1 It is considered to be of the utmost importance that employers and their employees should be informed thoroughly as to the application of the Act to the agricultural sector and the benefits that it offers them. The purpose of the Act must be emphasised, viz to provide for the insurance of employees against the risk of loss of earnings arising from unemployment owing to termination of employment, illness, maternity or the adoption of children, and to provide for lump sum payments to the dependants of deceased contributors.
SOCIAL SECURITY - UNEMPLOYMENT INSURANCE

1991 - 1992
Clashes over extension of UIF

SHARP conflict over the unemployment rights of seasonal farmworkers surfaced in National Manpower Commission debates over the extension of the Unemployment Insurance Act to agriculture.

Seasonal and occasional workers comprise an estimated 560 000 — 40 percent — of the farming workforce.

In a report gazetted last month, the NMC recommended that only "regular" farmworkers, excluding seasonal, occasional and casual labourers, should be covered by the Unemployment Insurance Fund.

Under the current Act, workers are eligible for UIF if they work at least eight hours a week for one employer. In industries declared seasonal, workers must be continuously employed for eight months to claim.

Apparendy in response to South African Agricultural Union (SAAU) concerns, the NMC recommended a general eight-month limit on farms.

"It has automatically assumed the whole of agriculture to be seasonal, which is not the case," said lawyer Dawie Bosch.

Court proposed a three-month limit, subject to viability, stressing that most seasonal farmworkers were employed for three months or less. This was vigorously opposed by the SAAU.

Bosch said he found the SAAU's approach "peculiar". They seem to reject a three-month cut-off regardless of whether the fund can bear it.

"UIF involves very little cost and administrative inconvenience. Ironically, it will enable farmers to dismiss in better conscience."
Thumbprint system for unemployment benefits

By BLAISE HOPKINSON
Business Staff

FIRST National Bank (FNB) and computer company Unidata have developed a new cash dispensing machine system which uses thumbprint identification, reports the authoritative South African Labour News.

Discussions have been held with the Unemployment Insurance Board for the system to be used for unemployment benefit payouts.

FNB spokesman, Mr Brent Chalmers, told Labour News the bank would be paid leasing fees and charge for each transaction.

"We hope there will be a spin-off in people opening accounts with us," Mr Chalmers said.

He cited the system as an example of first world technology being applied to solve a third world problem:

A single machine is now being tested in KwaZulu for handling pension payouts.

The Unemployment Insurance Board is awaiting a report from the National Productivity Institute before deciding on the system.

Unemployment commissioner, Mr Jack Schoepers, told Labour News as many as 1 000 machines would be needed. The UIF paid out between R175 million and R26 million a week to about 100 000 beneficiaries through 329 payout points.
500 000 black people face bleak future without work

As the country reels from the effects of the economic recession, more and more people find themselves having to face a bleak future without jobs.

During the past five months more than 500 000 black people were unemployed throughout the country, according to the Department of Manpower.

Mr Johan Muller, an official of the Department of Manpower, said the actual figure recorded was 540 128, but added that this "was the tip of an iceberg".

He said this figure could be more than tripled as it only recorded the number of people who had registered as being unemployed during the past four weeks with his department.

"There are obviously a large number of people who have been unemployed for many years now," he said.

"So, the actual figure is not known, but I know that it is very high," he added.

He was supported by Mr Issac Pathie, the managing director of Labour Watch, an organisation that monitors the unemployment situation of blacks in the country.

"Millions"

"If we take that into consideration, then the figure of people presently unemployed in the country, could rise up to millions," he added.

He said an average of 20 000 blacks register every month to be placed in jobs while more than 36 000 people are paid certain amounts of money under the Unemployment Insurance Fund (UIF).

The department describes workers as persons older than 15 years, not compelled to attend school and who voluntarily report at Manpower offices or its agents with the purpose of being placed in employment.

Muller added: "In the past, the registered unemployment figure reflected bona fide workers who registered at the Department, as well as unemployed contributors to the Unemployment Insurance Fund who were capable of and available for work and, who were required to register for work before they were entitled to apply for unemployment benefits.

"Such a person is required to sign a prescribed unemployment register regularly as proof of his continued unemployment, but does not necessarily re-register every month.

Register"

"As the statistics were derived from the placement register, the registered unemployment figure, was suspect.

"For this reason, and as from July last year, a new method was introduced where, inter alia, data from the UIF was brought into the account. "It is, unfortunately, not yet available in that format," he added."
BE IT ENACTED by the State President and the
Parliament of the Republic of South Africa, as follows:

Amendment of section 1 of Act No. 30 of
1966, as amended by section 1 of Act No. 29
of 1977, section 1 of Act No. 9 of 1979, section
1 of Act No. 1 of 1981, section 1 of Act No. 1
of 1982 and section 1 of Act No. 27 of 1988

1. Section 1 of the Unemployment Insurance Act,
1966 (hereinafter referred to as the principal Act), is
hereby amended—

(a) by the deletion of the definition of “agriculture”;

(b) by the insertion of the definition of “calendar
month” after the definition of “business”:

‘calendar month’ means a period that
extends from a day in a month up to and
including the day preceding the day that
corresponds numerically to the first-mentioned
day in the following month;”;

(c) by the substitution for the definition of “contribution”
of the following definition:

‘contribution’ means the amount payable by
an employer, or a contributor, [or from public
funds,] in terms of section 29 and “contribute”
has a corresponding meaning;”;

(d) by the substitution for the definition of “officer”
of the following definition:

‘officer’ means an officer as defined in
section 1 of the Public Service Act, [1957
(Act No. 54 of 1957)] 1984 (Act No. 110 of
1984);”;

(e) by the substitution for the definition of “public
service” of the following definition:

‘public service’ means the public service
according to the provisions of section [3] 7
of the Public Service Act, [1957 (Act No.
54 of 1957)] 1984 (Act No. 110 of
1984);”;

(f) by the substitution for the definition of “seasonal
business” of the following definition:

‘seasonal business’ means any business
[declared to be a seasonal business in
terms of section 5 (1)] or a class or type of
business that has work available for per-
sons for not more than 13 weeks in any
period of 12 calendar months owing to sea-
sonal fluctuations in the supply of raw mater-
ials required by the said business or class or
type of business or owing to seasonal
farming activities;”;

(g) by the substitution for the definition of “seasonal
worker” of the following definition:

‘seasonal worker’ means [subject to the
provisions of section 5 (2) and (3)], a
person receiving earnings in a seasonal
business [who is not a member of the
administrative, clerical, technical, office,
sales or maintenance staff in that busi-
ness] and who is employed by the same

DAAR WORD BEPAAL deur die Staatspresident en
die Parlement van die Republiek van Suid-Afrika, soos
volg:

Wysiging van artikel 1 van Wet No. 30 van
1966, soos gewysig deur artikel 1 van Wet No.
29 van 1977, artikel 1 van Wet No. 9 van 1979,
artikel 1 van Wet No. 1 van 1981, artikel 1 van
Wet No. 1 van 1982 en artikel 1 van Wet No. 27
van 1986

1. Artikel 1 van die Werkloosheidsekeringswet,
1966 (hieronder die Hoofwet genoem), word hierby
gewysig—

(a) deur die omskrywing van “beampte” deur die
volgende omskrywing te vervang:

‘beampte’ n beampte soos omskryf in arti-
kel 1 van die Staatsdienswet, [1957 (Wet
No. 54 van 1957)] 1984 (Wet No. 111 van
1984);”;

(b) deur die omskrywing van “bydrae” deur die vol-
gende omskrywing te vervang:

‘bydrae’ die bedrag kragtens artikel 29 deur
’n werkgever, of ‘n bydraer, [of uit
Staatsfondse] betaalbaar, en het “bydra”
’n ooreenstemmende betekenis;”;

(c) deur die omskrywing van “kalendermaand” na
die omskrywing van “inspecteur” in te voeg:

‘kalendermaand’ n tydperk wat strek van ‘n
dag in ‘n maand tot en met die dag wat die
dag voorafgaan wat numeriek ooreenstem
met eersbedoelde dag in die volgende
maand;”;

(d) deur die omskrywing van “landbou” te skrap;

(e) deur die omskrywing van “seisoensbesigheid”
deur die volgende omskrywing te vervang:

‘seisoensbesigheid’ enige besigheid [wat
ingevolge artikel 5 (1) ‘n seisoensbesigheid
verklaar is] of ‘n klas of soort besig-
heid wat weens seisoenswisselings in die
toevoer van grondstowwe deur bedoelde
besigheid of klas of soort besigheid beno-
dig of weens seisoensboender/bedrywig-
hede werk vir persone vir hoogstens 13
weke in enige tydperk van 12 kalender-
maande beskikbaar het;”;

(f) deur die omskrywing van “seisoenswerker”
deur die volgende omskrywing te vervang:

‘seisoenswerker’ [Behoudens die bepa-
lings van artikel 5 (2) en (3)], n persoon
wat verdienst in ‘n seisoensbesigheid ont-
vang en nie ‘n lid is van die administra-
tiewe, klerklike, tegniese, kantoor-, ver-
koops- of instandhoudingspersoneel in
daardie besigheid nie en vir ‘n tydperk
van hoogstens 13 weke gedurende ‘n tyd-
perk van 12 kalendermaande by dieselde
werkgever in diens is maar wat nie ‘n lid
van die normale vollydde personeel by so
PROPOSED AMENDMENT OF THE UNEMPLOYMENT INSURANCE ACT, 1966

1. Following comments received on General Notice 1077 of 1990, published in Government Gazette No. 12905 of 21 December 1990, on the proposals by the National Manpower Commission regarding the inclusion of farm workers under the Unemployment Insurance Act, 1966, a draft amendment Bill has been drawn up and is published in the Schedule hereto for general information and comment.

2. The draft amendment Bill has also been forwarded to the National Manpower Commission (NMC) for consideration and recommendations.

3. (a) All interested parties are invited to submit written comments on the draft amendment Bill as soon as possible. Such comments should be forwarded to the Director-General: Manpower, P.O. Box 5703, Pretoria, 0001, for attention Mr Jack Scheepers [Tel. (012) 322-7085].

(b) Comments should reach the Director-General not later than 2 April 1991.

(c) The name, telephone number, fax number and address of a person who may be contacted in regard to the comments should also be stated clearly.

4. The final amendment Bill will be drawn up by the Department of Manpower for submission to the Government after the comments received on this draft amendment Bill have been processed.

SCHEDULE

BILL

To amend the Unemployment Insurance Act, 1966, so as to extend the scope of application of the Act; to discontinue the contribution of the State to the Unemployment Insurance Fund; to amend the conditions involved in and the period of qualification applicable to the payment of adoption benefits; to delete the requirement that the Minister of Finance be consulted regarding the purchase of fixed property, regarding schemes to combat unemployment and to raise loans at private institutions; and to provide for matters incidental thereto.
4. Artikel 6 van de Hoofwet word hierby gewysig deur paragraaf (c) te skraap.

Wysiging van artikel 7 van Wet No. 30 van 1966, soos gewysig deur artikel 1 van Wet No. 118 van 1977, artikel 4 van Wet No. 9 van 1979, artikel 3 van Wet No. 1 van 1982, artikel 2 van Wet No. 89 van 1982 en artikel 3 van Wet No. 27 van 1986

5. Artikel 7 van die Hoofwet word hierby gewysig deur paragraaf (g) deur die volgende paragraaf te vervang:

"(g) die betaling van alle ander uitgawes wat die Direkteur-generaal in verband met die uitvoering van hierdie Wet aangaan, met inbegrip van dié in artikel [49.] 64C, 64F of 64H bedoelde koste.".

Wysiging van artikel 8 van Wet No. 30 van 1966, soos gewysig deur artikel 4 van Wet No. 1 van 1982

6. Artikel 8 van die Hoofwet word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang:

"(1) Die gelde van die fonds, behalwe die gelde wat nodig is om die lopende uitgawes in verband met die uitvoering van hierdie Wet te dek, word by die [Staatskuldkommissaris] Openbare Beleggingskommissaris in 'n rekening, met die naam van die werkloosheidversekeringsfondsrekening, gestort en sodanige gelde word as 'depotloof' kragtens artikel [5] 6 van die Wet en die [Staatskuldkommissaris], 1969 (Wet No. 2 van 1969),] Openbare Beleggingskommissaris, 1964 (Wet No. 45 van 1964), beskou: Met dien verstande dat die Direkteur-generaal, na ooreenkoms met die raad van direkteurs, deur diens in die interes van die openbare instellings, die beding van die regterlike instellings, of deur diens in die interes van die openbare instellings, kan belê.

Vervanging van artikel 9 van Wet No. 30 van 1966, soos gewysig deur artikel 5 van Wet No. 9 van 1979

7. Artikel 9 van die Hoofwet word hierby deur die volgende artikel vervang:

"(1) Die Minister moet, uit gelde wat vir dié doel deur die Parlement beskikbaar gestel word, in ooreenkoms met die Tresourie 'n maksimum bedrag van 25% van die totale bedrag van die bydraes wat ingevolge artikel 29 (1) deur werkgewers ten opsigte van hulself en die bydraers in hul diens gedurende die vorige boekjaar aan die fonds betaal is, aan die fonds beskikbaar stel, sou die fonds te eniger tyd nie in staat wees om die uitgawes in verband met die uitvoering van hierdie Wet, met inbegrip van die betaling van voordelen en inheemse porties aan die bepalings daarvan en bedrae betaalbaar inheemse porties aan die bepalings daaraan te besty nie."

(2) Die beskikbaarheid van die bedrag in subparagraaf (1) bedoel, geskied met die goedgekeurde bedrag van die Parlement en die voorwaardes wat die Minister in ooreenkoms met die Tresourie bepaal, en sodanige bedrag word in die fonds gestort op die tye en die wyse wat die Minister bepaal.
employer for a period of not more than 13 weeks during a period of 12 calendar months but who is not a member of the normal full-time staff at such business;

Provided that a person who was a seasonal worker employed by the same employer for an uninterrupted period of 13 weeks shall cease to be a seasonal worker should he continue to be employed by that employer after the expiry of the said period;" and


2. Section 2 of the principal Act is hereby amended—

(a) by the deletion of paragraph (k) of subsection (2);

(b) by the substitution for paragraph (l) of subsection (2) of the following paragraph:

"(l) persons who are officers in terms of the definition of "officer" in section 1 of the Public Service Act, [1957 (Act No. 54 of 1957)] 1984 (Act No. 111 of 1984);" and

(c) by the substitution for paragraph (n) of subsection (2) of the following paragraph:

"(n) persons who in terms of section 23 of the Educational Services Act, 1967 (Act No. 41 of 1967), section 12 of the Coloured Persons Education Act, 1963 (Act No. 47 of 1963), and section 12 of the Indians Education Act, 1965 (Act No. 61 of 1965), are for all purposes in respect of pension and retirement benefits dealt with as if they occupied posts included in a division of the public service referred to in section [3] 7 (1) (a) of the Public Service Act, [1957 (Act No. 54 of 1957)] 1984 (Act No. 111 of 1984);".

Deletion of section 5 of Act No. 30 of 1966

3. Section 5 of the principal Act is hereby deleted.

Amendment of section 6 of Act No. 30 of 1966, as amended by section 3 of Act No. 9 of 1979 and section 2 of Act No. 1 of 1982

'n besigheid is nie: Met dien verstande dat 'n persoon wat vir 'n ononderbroke tydperk van 13 weke 'n seisoenswerker in diens van dieselfde werkgever was, ophou om 'n seisoenswerker te wees indien hy na die verstrekking van genoemde tydperk in diens van daardie werkgever aanbly;"; en

(g) deur die omskrywing van "Staatsdiens" deur die volgende omskrywing te vervang:

"Staatsdiens" die staatsdiens volgens die bepaleings van artikel [3] 7 van die Staatsdienswet, [1957 (Wet No. 54 van 1957)] 1984 (Wet No. 111 van 1984);".


2. Artikel 2 van die Hoofwet word hierby gewysig—

(a) deur paragraaf (k) van subartikel (2) te skrap;

(b) deur paragraaf (l) van subartikel (2) deur die volgende paragraaf te vervang:

"(l) persone wat beampte is ingeval die omskrywing van 'beampte' in artikel 1 van die Staatsdienswet, [1957 (Wet No. 54 van 1957)] 1984 (Wet No. 111 van 1984);" en

(c) deur paragraaf (n) van subartikel (2) deur die volgende paragraaf te vervang:

"(n) persone wat ingeval artikel 23 van die Wet op Onderwysdienste, 1967 (Wet No. 41 van 1967), artikel 12 van die Wet op Onderwys vir Kleurlinge, 1963 (Wet No. 47 van 1963), en artikel 12 van die Wet op Onderwys vir Indiërs, 1965 (Wet No. 61 van 1965), vir alle doeleindes ten opsigte van pensioen- en uitdienstevorderes behandel word asof hulle poste bekleed wat ingesluit is in 'n afdeling van die Staatsdiens [waarna] bedoel in artikel [3] 7 (1) (a) van die Staatsdienswet [1957 (Wet No. 54 van 1957)] 1984 (Wet No. 111 van 1984), verwys word; of".

Skrapping van artikel 5 van Wet No. 30 van 1966

3. Artikel 5 van die Hoofwet word hierby geskrap.

Wysiging van artikel 6 van Wet No. 30 van 1966, soos gewysig deur artikel 3 van Wet No. 9 van 1979 en artikel 2 van Wet No. 1 van 1982
(3) (a) Apart from the amount made available by the Minister in terms of subsection (1), the Minister may make any further advance to the fund that he may deem necessary should the fund experience financial problems.

(b) Such advance shall be made with the approval of Parliament and subject to such conditions as may be determined by the Minister in consultation with the Treasury.

(4) The moneys advanced in terms of subsection (3) and the interest thereon shall be a charge against the fund.

Substitution of section 9A of Act No. 30 of 1966, as inserted by section 1 of Act No. 30 of 1986

8. The following section is hereby substituted for section 9A of the principal Act:

"9A. If [no] sufficient moneys [can] cannot be appropriated by Parliament for the fund for the purposes contemplated in section 9 (3), the Director-General may, after consultation with the board and the actuary, [and with the concurrence of the Minister of Finance] raise loans for the fund from private institutions registered with the Registrar of Financial Institutions, on the conditions agreed upon between the parties, to enable the fund to meet the expenditure in connection with the administration of the Act."


9. Section 29 of the principal Act is hereby amended by the deletion of subsection (2).

Amendment of section 31 of Act No. 30 of 1966

10. Section 31 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) If the amount of any contributions or any other payment is not paid by an employer at the time when it becomes payable, the Director-General may, in his discretion, impose upon and recover from the employer a penalty, determined either generally or specially, of not exceeding ten per cent per calendar month or part of a calendar month of the cumulative amount unpaid, or [one] twenty rand, whichever is the greater: Provided that the Director-General may waive any such penalty in whole or in part."

(3) (a) Behalwe die bedrag wat die Minister, ingevolge subartikel (1) beskikbaar moet stel, kan die Minister enige verdere voorskot wat hy dienstig ag aan die fonds maak, sou die fonds finansiële probleme ontvind.

(b) Sodanige voorskot word gemaak met die goedkeuring van die Parlement en op die voorwaardes wat die Minister in ooreig met die Tesorie bepaal.

(4) Die gelde ingevolge subartikel (3) voorgeklet en die rente daarop is 'n las teen die fonds."

Vervanging van artikel 9A van Wet No. 30 van 1966, soos ingevoeg deur artikel 1 van Wet No. 30 van 1986

8. Artikel 9A van die Hoofwet word hierby deur die volgende artikel vervang:

"9A. Indien daar nie voldoende geld te deur die Parlement vir die doeleindes in artikel 9 (3) bescak, aan die fonds beskikbaar gestel kan word nie, kan die Direkteur-generaal, na ooreeplugging met die raad en die aktuaris [en met die instemming van die Minister van Finansies], lenings by private instellings wat by die Registrari van Finansiële instellings geregistreer is, vir die fonds opnieu op die voorwaardes waaromtrent tussen die partye ooreengekome word, om die fonds in staat te stel om die uitgawes in verband met die uitvoering van die Wet na te kom."


9. Artikel 29 van die Hoofwet word hierby gewysig deur subartikel (2) te skrap.

Wysiging van artikel 31 van Wet No. 30 van 1966

10. Artikel 31 van die Hoofwet word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang:

"(1) Indien 'n werkgewer nie die bedrag van bydrae of 'n ander betaling op die tyd wanneer dit beskikbaar word, betaal nie, kan die Direkteur-generaal, na goeddunken, 'n pene, wat of in die algemeen of spesiaal vagegestel word, van hoogstens tien persent per kalendermaand of gedeelte van 'n kalendermaand van die kumulatiewe onbetaalde bedrag, of [een] twintig rand, watter bedrag ook al die grootste is, aan die werkgewer oplié en dit op hom verhaal: Met dien verstaande dat die Direkteur-generaal van so'n pene of 'n gedeelte daarvan afstand kan doen."
Amendment of section 34 of Act No. 30 of 1966, as substituted by section 14 of Act No. 9 of 1979 and amended by section 4 of Act No. 36 of 1987 and section 1 of Act No. 102 of 1987

11. Section 34 of the principal Act is hereby amended by the substitution for subsection (4) of the following subsection:

"(4) Subject to the provisions of [sections] section 47 [and 49], the benefits that may be paid to a contributor shall not exceed—

(a) one week's benefits for each completed four weeks' employment as a contributor between the first day of January 1950 and the thirtieth day of July 1962; and

(b) one week's benefits for each completed six weeks' employment as a contributor on or after the thirtieth day of July 1962.".

Wysiging van artikel 34 van Wet No. 30 van 1966, soos vervang deur artikel 14 van Wet No. 9 van 1979 en gewysig deur artikel 4 van Wet No. 36 van 1987 en artikel 1 van Wet No. 102 van 1987

11. Artikel 34 van die Hoofwet word hierby gewysig deur subartikel (4) deur die volgende subartikel te vervang:

"(4) Behoudens die bepaling van [artikels] artikel 47 [en 49] oorskie die voordele wat aan 'n bydraer betaal mag word, nie—

(a) een week se voordele vir elke voltooiëde vier weke diens as 'n bydraer tussen die eerste dag van Januarie 1950 en die derde dag van Julie 1962 nie; en

(b) een week se voordele vir elke voltooiëde ses weke diens as 'n bydraer op of na die derde dag van Julie 1962 nie.".

Amendment of section 36 of Act No. 30 of 1966, as substituted by section 16 of Act, No. 9 of 1979, and amended by section 3 of Act No. 1 of 1981, section 10 of Act No. 1 of 1982 and section 3 of Act No. 29 of 1986

12. Section 36 of the principal Act is hereby amended by the substitution in subsection (2) for the words "Minister of Health and Welfare" of the words "Minister of National Health".

Wysiging van artikel 36 van Wet No. 30 van 1966, soos vervang deur artikel 16 van Wet No. 9 van 1979, en gewysig deur artikel 3 van Wet No. 1 van 1981, artikel 10 van Wet No. 1 van 1982 en artikel 3 van Wet No. 29 van 1988

12. Artikel 36 van die Hoofwet word hierby gewysig deur in subartikel (2) die woorde "Minister van Gesondheid en Wêlsyn" deur die woorde "Minister van Nasionale Gesondheid" te vervang.

Amendment of section 37A of Act No. 30 of 1966, as inserted by section 6 of Act No. 36 of 1987

13. Section 37A of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) Subject to the provisions of section 34 and of this section and of any applicable regulations made under section 62, a female contributor who is unemployed may be paid benefits, hereinafter in this section referred to as adoption benefits, in accordance with the provisions of this Act for a period not exceeding twenty-six weeks, commencing not earlier than the date [on which she legally adopts a child under the age of two years, whether or not she is capable of and available for work] of application to a commissioner of child welfare in terms of section 18 (1) of the Child Care Act, 1983 (Act No. 74 of 1983), for the adoption of a child under the age of two years at the time of the application, whether or not she is capable of and available for work: Provided that no payment of adoption benefits shall be made to such contributor before the adoption order is issued by the Children's Court and submitted to the claims officer."

(b) by the substitution in paragraph (b) of subsection (5) for the word "eighteen" of the word "thirteen"; and

Wysiging van artikel 37A van Wet No. 30 van 1966, soos ingevoeg deur artikel 6 van Wet No. 36 van 1987

13. Artikel 37A van die Hoofwet word hierby gewysig—

(a) deur subartikel (1) deur die volgende subartikel te vervang:

"(1) Behoudens die bepaling van artikel 34 en van hierdie artikel en van enige toepasslike regulasies kragtens artikel 82 uitgevaardig, kan daar aan 'n vroulike bydraer wat werkloos is voordele, hieronder in hierdie artikel aannemingsvoordele genoem, ooreenkomsst met die bepaling van hierdie Wet betaal word vir 'n tydperk van hoogstens ses-en-twintig weke, wat begin nie vroeër nie as die datum [waarop sy wettig 'n kind onder die ouderdom van twee jaar aanneem, hetsy sy vir werk geskik en beskikbaar is al dan nie] van aansoek aan 'n kommissaris van kindersorg ingevolge artikel 18 (1) van die Wet op Kindersorg, 1983 (Wet No. 74 van 1983), om aanneming van 'n kind onder die ouderdom van twee jaar ten tyde van die aansoek, hetsy sy vir werk geskik en beskikbaar is al dan nie: Met dien verstande dat geen betaling van aannemingsvoordele aan sodanige bydraer sal geskiedalvorens die aannemingsbeveel deur die Kinderhof uitgereik en aan die eisebeambte voorgereld is nie.".

(b) deur in paragraaf (b) van subartikel (5) die woord "agtien" deur die woord "dertien" te vervang; en
(c) by the insertion of the following subsection after subsection (5):

"(6) For the purposes of this section a female contributor shall be deemed to have become unemployed on the date upon which her contract of service or apprenticeship or learnership was terminated or, notwithstanding that her services have not been terminated, shall be deemed to be unemployed if, in respect of any period referred to in subsection (1), she is not in receipt of any earnings or receives from her employer less than one-third of her normal earnings."

Amendment of section 38 of Act No. 30 of 1966, as substituted by section 18 of Act No. 9 of 1979 and amended by section 5 of Act No. 1 of 1981, section 12 of Act No. 1 of 1982, section 7 of Act No. 27 of 1986 and section 7 of Act 36 of 1987

14. Section 38 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection:

"(2) Application for payment in terms of subsection (1) shall be made in the form prescribed to the [divisional inspector] regional director, as defined by regulation, in the area in which the applicant resides or resides temporarily or, if the applicant is outside the Republic, to any such [divisional inspector] regional director."

Amendment of section 46 of Act No. 30 of 1966

15. Section 46 of the principal Act is hereby amended by the substitution for subsections (3) and (4) of the following subsections:

"(3) The Minister may [after consultation with the Minister of Finance] authorize the payment from the fund of the whole or any portion of any amount which may become payable in connection with the application of the scheme, including any expenditure incurred in the administration thereof.

(4) The Minister may at any time—

(a) [after consultation with the Minister of Finance] withdraw or alter any authority granted in terms of subsection (3);

(b) on the recommendation of the board, withdraw or amend any scheme."

Amendment of section 52 of Act No. 30 of 1966, as substituted by section 24 (a) of Act No. 9 of 1979

16. Section 52 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) [Subject to the approval of the Minister of Finance, the] The Director-General may purchase or otherwise acquire immovable property required wholly or partly for the purposes of this Act and may alienate or let any property so acquired."

(c) deur die volgende subartikel na subartikel (5) in te voeg:

"(6) By die toepassing van hierdie artikel word 'n vroulike bydraer geag werkloos te geword het op die datum waarop haar diens- of vakleerderskap- of leerlingskapkontrak beëindig is of, nieenteenstaande dat haar diens nie beëindig is nie, geag werkloos te wees indien sy, ten opsigte van 'n tydperk in subartikel (1) bedoel geen verdienste ontvang nie of van haar werk- gewer minder as 'n derde van haar normale verdienste ontvang."

Wysiging van artikel 38 van Wet No. 30 van 1966, soos vervang deur artikel 18 van Wet No. 9 van 1979 en gewysig deur artikel 5 van Wet No. 1 van 1981, artikel 12 van Wet No. 1 van 1982, artikel 7 van Wet No. 27 van 1986 en artikel 7 van Wet No. 36 van 1987

14. Artikel 38 van die Hoofwet word hierby gewysig deur subartikel (2) deur die volgende subartikel te vervang:

"(2) 'n Aanvraag om betaling ingevoeg subartikel (1) word op die voorgeskrywe vorm gedoen deur die [afdelingsinspekteur] streekdirekteur, soos omskryf deur regulasie, in die gebied waarin die applikant woonagtig of tydelik woonagtig is of, indien die applikant buite die Republiek is, by enige sodanige [afdelingsinspekteur] streekdirekteur."

Wysiging van artikel 46 van Wet No. 30 van 1966

15. Artikel 46 van die Hoofwet word hierby gewysig deur subartikels (3) en (4) deur die volgende subartikels te vervang:

"(3) Die Minister kan [na ooreenkomst met die Minister van Finansies] die betaling uit die fonds magtig van die [hele] geheel of 'n gedeelte van 'n bedrag wat betaalbaar word in verband met die toepassing van die skema, met inbegrip van enige uitgawe aangegaan by die uitvoering daarvan.

(4) Die Minister kan te eniger tyd—

(a) [na ooreenkomst met die Minister van Finansies] 'n magtiging ingevoeg subartikel (3) verleen, intrek of verander;

(b) op aanbeveling van die raad, 'n skema intrek of wysig."

Wysiging van artikel 52 van Wet No. 30 van 1966, soos vervang deur artikel 24(a) van Wet No. 9 van 1979

16. Artikel 52 van die Hoofwet word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang:

"(1) Die Direkteur-generaal kan [onderworpe aan die goedkeuring van die Minister van Finansies] vaste eiendom wat geheel of gedeeltelik vir die doeleindes van hierdie Wet nodig is, aan- koop of andersins verkry en enige aldus verkree eiendom verhuur of vervreem."
Transitional provisions

17. (1) An employer who was, immediately prior to the commencement of this Act, not included under the scope of application of the principal Act, shall comply with the relevant provisions of the principal Act within a period of 12 months of the date of commencement of this Act.

(2) The Minister may, if he deems it necessary, after consultation with the board, by notice in the Gazette from time to time extend or suspend the period referred to in subsection (1).

(3) An employer contemplated in subsection (1) who fails to comply with the provisions of the principal Act within the period referred to in subsection (1) shall be guilty of an offence.

(4) When a business or a class or kind of business had prior to the commencement of this Act been declared to be a seasonal business in terms of section 5 (1) of the principal Act, such declaration shall be withdrawn with effect from the date of commencement of this Act.

Short title and commencement

18. This Act shall be called the Unemployment Insurance Amendment Act, 1991, and shall come into operation on a date to be fixed by the State President by proclamation in the Gazette.

(1 March 1991)

Oorgangsbeplaings

17. (1) ’n Werkgewer wat onmiddellik voor die inwerkingtreding van hierdie Wet nie onder die toepassingsbestek van die Hoofwet ingesluit was nie, moet binne ’n tydperk van 12 maande na die datum van die inwerkingtreding van hierdie Wet aan die betrokke beplaings van die Hoofwet voldoen.

(2) Die Minister kan, indien hy dit dienstig aan, na oorlegging met die raad, by kennisgewing in die Staatskoerant die tydperk bedoel in subartikel (1) van tyd tot tyd verleng of opskort.

(3) ’n Werkgewer bedoel in subartikel (1) wat in gebreke bly om binne die tydperk bedoel in subartikel (1) aan die beplaings van die Hoofwet te voldoen, is aan ’n misderyf skuldig.

(4) Wanneer ’n besigheid of ’n klas of soort besigheid voor die inwerkingtreding van hierdie Wet tot ’n seisoensbesigheid ingevolge artikel 5 (1) van die Hoofwet verklar is, word sodanige verklaring vanaf die datum van inwerkingtreding van hierdie Wet ingetrek.

Kort titel en inwerkingtreding


(1 Maart 1991)
1660 | 27TH MEETING | 18 OCTOBER 1952 | 1659 | 28TH MEETING | 25 OCTOBER 1952

The meeting was called to order by the President of the Economic Committee of the House of Assembly.

The President of the Economic Committee then addressed the meeting.

The discussion then turned to the matter of Education and Culture.

It was decided to form a subcommittee to study the matter further.

The meeting adjourned at 17:30.

The next meeting will be held on 2 November 1952.
R854-m in claims as unemployment soars

By MICHAEL MORRIS
Political Correspondent

RISING unemployment is the chief cause of the increase in unemployment insurance claims from R86 million to more than R854 million in the past 10 years, according to the latest annual report of the Unemployment Insurance Fund.

The report for 1990, tabled in parliament yesterday, shows an increase in the number of approved claims from 206,500 in 1981 to 570,000 last year.

During the same period, the number of registered employers and contributors increased from 117,500 to 167,800 and 4,1 million to 5,8 million respectively.

NEGLECT TO CONTRIBUTE

Income increased from R129,6 million to R1,1 billion.

The report says that “because of the increase in unemployment since 1982, as a result of the economic problems, drought and other factors, the number of claims for benefits are increasing annually at a rate that places a heavy burden on the staff of the fund.”

In many cases, overpayments and underpayments to contributors cannot be followed up and arrear contributions cannot be collected.

“A matter that is giving rise to increasing problems is the great number of employers who either neglect to register or fail to remit their monthly contributions timeously.

“When contributors become unemployed, the benefits then cannot be paid. As many as 5,600 employers fail to submit their monthly contributions in good time.”

The report said that additional inspectors had been appointed to follow up these cases and, during 1990, more than R7 million was collected, R3,772,000 collected in 10 percent fines, R2 million collected as a result of prosecutions and a further R205,100 collected in fines arising from prosecutions.

The report dealt with plans for the inclusion of farm workers, domestic servants and seasonal workers in the operation of the fund.

The report said further investigation had been ordered to determine the effect of the admission of the agricultural sector to the fund.

Present reserves, deemed actuarially satisfactory, are R1,1 billion.
Unemployment fund is in good financial health

CAPE TOWN — The Unemployment Insurance Fund (UIF) is in good health with reserves worth more than R1,194m at the end of last year.

And it is set to grow further this year with newly introduced developments.

The reserves in the fund increased during 1989 by R233.5m from R652.8m in 1988.

In the latest UIF annual report, Manpower director-general J D Fourie said the improvement could be attributed to the increase in the number of registered employers and employees who contributed to the UIF, raising of the maximum earnings ceiling, resulting in more employees in the higher income bracket, and the increase in the contribution rate from 0.7% to 0.9% on January 1 1987.

Fourie reported that the ceiling had been raised again, from R40 248 a year, to include those earning R46 332 a year.

It was planned to introduce legislation during this session of Parliament to include farm labourers in the UIF.

The fund’s total reserves had grown dramatically over the past five years. In 1986, reserves were worth R171.5m; in 1988, R444.1m.

Fourie said while reserves of R1,230m might appear exceptionally high, actuaries had determined that R1bn was required for the UIF to meet its commitments, “especially if further economic recessions occur”.

He said that as at December 31 1989, R1,146m of the total amount of R1,194m was invested on behalf of the fund by the Public Investment Commissioners.

R41,362m was deposited with the Corporation for Public Deposits and R7,683m with the Standard Bank (Pty) Ltd.

He reported that the workload of the department had increased significantly with unemployment payments to the value of R867,466m, illness benefits to the value of R34,683m, maternity payments of R140,425m, adoption benefits worth R238,702 and payments of R41,304m to dependants of people who had died.

The number of unemployment benefit applications for 1989 was 454,210, compared with 361,073 in 1988; 438,402 were approved last year.
MR JQ of Mamelodi writes: As a novice in the working environment I understand that PAYE is deducted monthly from my salary. Please explain more about this and whether or not it can be retrieved eventually, when you resign or retire, etc.

Is it also possible to know the amount deducted at a certain stage while you are still working?

Secondly, assist me about UIF and explain how long it is paid to somebody who is unemployed. Does one get the same pay or salary while unemployed as during employment.

Sometimes employers deduct funds like death benefits, provident fund, etc from workers’ wages and these moneys are not given to employees on resignation.

Apart from trade unions, where could one get legal assistance in regard to claiming moneys illegally withheld by employers.

ANSWER: I'm afraid I have bad news for you. The PAYE which is deducted from your salary every month is the tax that you and everyone else has to pay in terms of the laws of the land.

Everyone who earns more than a certain minimum pays income tax according to pay-as-you-earn scales which are determined by parliament every year.

The amount which must be deducted can be checked with your salaries department. It is not refundable as the money is earmarked for state expenditure on all sorts of items, like housing, education, hospitals, the police force and so on.

Your employer will be in serious trouble if PAYE is not deducted.

The same applies to your death benefit as this is an insurance. The fact that you don't use it (because you stay alive) doesn't mean you can get it back when you leave.

However, contributions to a provident fund are fully refundable and you should receive them from your employer when you resign.

As far as your query regarding the Unemployment Insurance Fund is concerned, people who lose their jobs are entitled to a weekly payment. This is equal to 45 percent of what was earned weekly in the last 13 weeks of employment.

There are limits though. You can claim one week’s benefits for every six weeks you have contributed to the fund, to a maximum of not more than 26 weeks’ benefits in any period of 52 weeks.

READERS who have queries about personal financial and investment matters are invited to write to: Magnus Heyns, c/o Money Matters, PO Box 1014, Johannesburg 2000.
Farm workers to get unemployment pay?

FARM workers are set to be included in the ambit of the Unemployment Insurance Act if the Unemployment Insurance Amendment Bill, tabled in Parliament by Manpower Minister Mr Eli Louw yesterday, is passed.

The main aim of the bill is to ensure that farm workers who work continuously for the same employer for more than four months will be entitled to get benefits under the act.

Should Parliament accept the bill it will be phased in over the next year although any employers who prefer to do so could become contributors to the fund immediately after the implementation date.

Both employers and employees will have to pay 90 cents in every R100 of the worker's wage. For every six weeks of contributing to the fund the worker is entitled to benefits of one week at a rate of 45% of his wage. To qualify, the farm worker will have to have contributed for at least 13 weeks during the year before he became unemployed.
Farm labour unemployment benefits sought

Farm labour reform was taken a step further yesterday with the introduction in Parliament of new legislation to extend unemployment insurance benefits to the agricultural sector.

The Government has been under pressure to extend labour protection and union rights to SA's agricultural workforce.

The Unemployment Insurance Amendment Bill phases in unemployment insurance benefits for farm workers over a year.

One of its features is to see that seasonal workers qualify for membership of the fund after four months' continuous service with the same employer.

The law would provide short-term protection for farm workers against loss of income resulting from unemployment, illness, maternity and the adoption of children under the age of two, as well as providing for the payment of benefits to the dependants of deceased contributors.

Political Staff.
were finally liberated from poverty, ignorance and disease. He called for investment in southern Africa's future. — Sapa.

**Bill covers farmworkers**

CAPE TOWN — A Bill to bring farmworkers under the umbrella of the Unemployment Insurance Act was tabled yesterday.

It is, however, unlikely that the measure will be passed during this session of Parliament which ends on Friday. It has not been scheduled for debate.

A memorandum with the Unemployment Insurance Amendment Bill said the agricultural sector was at present excluded from the Act.
A BILL to bring farmworkers under the umbrella of the Unemployment Insurance Act was tabled in Parliament yesterday.

It is, however, unlikely that the measure will be passed during this session of Parliament, which ends on Friday.

A memorandum attached to the Unemployment Insurance Amendment Bill said:

"The objects of the Bill are to bring the agricultural sector within the ambit of the Act (and) provide that seasonal workers in agriculture will qualify for membership of the (Unemployment Insurance) Fund after a period of four months continuous service with the same employer."

Because such a large number of people would be affected by the amendments, there would be a phasing-in period of a year before compliance with the Act was required.

Employers who wanted to register and start contributing to the fund before the period had elapsed would be free to do so.

The Bill will now go before the Parliamentary Joint Committee on Manpower. - Sapa.
Secret votes on squatters

Municipal Reporter

ALL local authorities in the Peninsula have taken part in deciding secretly which pieces of land should be allocated to squatters — yet three years later the report they drew up is still not public knowledge.

Meanwhile, the Cape Provincial Administration (CPA) appears to have started implementing recommendations from this secret report "in view of the presence of squatters on certain of the areas of land referred to in the report".

Now the Cape Town City Council is complaining that the piecemeal implementation of just parts of the report is contrary to the consensus reached at the series of meetings.
ULF claims up by 50%

Pretoria: Claims for Unemployment Insurance Fund benefits have increased by 50% since last July, to between 50,000 and 61,000 a month, latest statistics show.

"Unemployment Insurance Commissioner Jack Scheepers warned yesterday that payments were equaling contributions and that any increase in claims could require drawing on the UIF's reserves."

Scheepers said applications had increased by 20% since January.

Current monthly applications are 16,000 more than the 43,000 monthly claims this time last year. Benefit payments of about R100m a month are being made to 223,000 beneficiaries, compared to 150,000 last year.
DEPARTMENT OF FINANCE

No. R. 1884 9 August 1991

UNEMPLOYMENT INSURANCE ACT, 1966

AMENDMENT OF REGULATIONS

The Minister of Manpower has, under section 62 of the Unemployment Insurance Act, 1966 (Act No. 30 of 1966), made the regulations set out in the Schedule.

SCHEDULE

Definition


Amendment of regulation 13 of the Regulations

2. Regulation 13 of the Regulations is hereby amended—

(a) by the substitution for paragraph (d) of subregulation (2) of the following paragraph:

“(d) where the application is made by a widow or a widower, the marriage certificate of the deceased contributor: Provided that in the case of a widow or a widower who was a participant in a customary union according to indigenous law and custom, where neither the man nor the woman was a party to a subsisting marriage, the Director-General may accept such evidence as he may deem fit of the existence of such customary union.”;

(b) by the substitution in subregulations (3) and (4) for the words “divisional inspector” of the words “regional director”, wherever they occur therein.

3. Annexure UF 126 of the Regulations is hereby amended by the deletion of the expression “Black” where it occurs.

Commencement

4. These Regulations shall be deemed to have come into operation on 28 June 1991.

DEPARTEMENT VAN MANNEKRAIG

No. R. 1884 9 Augustus 1991

WERKLOOESHEIDSVERSEKERINGSWET, 1966

WYSIGING VAN REGULASIES

Die Minister van Mannekrag het kragtens artikel 62 van die Werkloosheidsversekeringswet, 1966 (Wet No. 30 van 1966), die regulasies in die Bylae vervol, uitgevaardig.

BYLAE

Woordomskrywing


Wysiging van regulasie 13 van die Regulasies

2. Regulasie 13 van die Regulasies word hierby gewysig—

(a) deur paragraaf (d) van subregulasie (2) deur die volgende paragraaf te vervang:

“(d) die huweliksregisterkaart van die afgestorwe bydraer, waar die aansoek deur ‘n weduwe of ‘n wewe naar gedoen word: Met dien verstande dat in die geval van ‘n weduwe of ‘n wewenaar wat ‘n deelgenoot was aan ‘n gebruiklike verbintenis ooreenkomstig inheemse reg en gebruik, waar nóg de man nóg die vrou ‘n party by ‘n bestaande huwelik was, die Direkteurgeneraal sodanige bewys as wat hy dienstig ag, van die bestaan van sodanige egtelike verhouding kan aanvaar.”;

(b) deur in subregulasies (3) en (4) die woord “afdelingsinspekteur”, oral waar dit daarin voorkom, deur die woord “streekdirekteur” te vervang.

3. Aanhangsel UF 126 van die Regulasies word hierby gewysig deur die uitdrukking "Swart", waar dit voorkom te skrap.

Inwerkingtreding

Requests for benefit money grow rapidly
By Paula Fray

About R100 million is being paid out each month as more and more jobless people dip into the unemployment insurance benefit fund.

According to Unemployment Insurance commissioner Jack Scheepers, the payouts have increased by about 30 percent since last year and unemployment ranks high among the various benefit claims.

"During 1990 we received on average between 39,000 and 40,000 new applications for benefits each month. Figures for 1991 show that we have received on average about 60,000 new applications monthly for the different types of unemployment benefits."
UIF pays out record R803m in benefits

GERALD REILLY

PRETORIA — The Unemployment Insurance Fund paid out a record R803m in benefits in the first eight months of the year — a 58% increase on the R553m payout for January-August last year.

The payment of more than R100m a month is by far the highest in the fund’s 45-year history.

Unemployment insurance commissioner Jack Scheepers said the fund received an average of 64 000 new applications in each of the eight months.

This was 20% more than the 53 000 new applications received last year.

Individual payouts amounted to a record 1.5-million, compared to 1.2-million during the same period last year.

However, Scheepers said the overall picture during the past eight months seemed to point to a “sideways movement” in the demand for aid.

However, despite the increased demand for funds, income was still ahead of expenditure. Including interest on reserves of R1,27bn (R1bn at this time last year), income was about R110m a month.

Scheepers said the fund had 5.8-million employee members and 173 000 employer members.
SOCIAL SECURITY: 1

Social Security For All

Most organizations are seeing a need to take up struggles around social security issues like unemployment and retirement. This is not a sudden development. In 1980, workers embarked on spontaneous strikes in many areas over the government's proposal to freeze pension fund contributions. This would have meant that workers who lost their jobs would not get refunds of their contributions until they reached retirement age. But workers argued that most of them do not reach retirement age - only 1% of black workers actually reach retirement age. The strikers also argued that when they are unemployed that they actually need the money most. The retirement money is also too little to live on anyway. Finally, the state withdrew this proposal.

CURRENT SOCIAL SECURITY DEMANDS

A lot of workers' organizations like Cosatu are making their own proposals. They have demanded that a Living Pension should be paid by the state to everyone. At Cosatu's recent Fourth Congress they called for the state old-age pension to be equalized immediately on a non-racial basis. Here are some of the other calls Cosatu has made around social security:

- We oppose the decentralization of state old-age pensions to bantustan governments. There should be one single scheme for all South Africans.
- We call for better access for pensioners to receive their pensions, and more information to be available to everyone to help them claim their state old-age pensions.
- All state employees should receive the same benefits. Presently big and small workers have much better schemes. Usually it is white, coloured and Indian public servants who are given the benefits, at the expense of the mass of lower-paid workers and black taxpayers who provide most of the money.
- People with temporary jobs should get the same benefits as permanent workers.
- We call for one national provident fund in each industry, rather than separate funds in companies. Most workers only keep their jobs between four and seven years so they never build up enough reserves in any one fund to make up a sufficient pension.

These national funds should be controlled by workers because most of the money comes from workers' contributions. Workers want to be able to invest this huge pool of money in worker colleges or whatever their social needs might be. There was actually $27.6 million in contributions in 1986, about R436 million was paid out.

Workers are also calling for a Living Unemployment Insurance Fund benefit. This would provide for households where the breadwinner has no job and are too young to qualify for pension. The state should extend the existing programmes of public works e.g. building roads. Other benefits include illnes; maternity, dependents' and adoption benefits.

This fund covers less than 5% of the population. Domestic workers, casual workers and farmworkers are among those excluded. (This figure does not include the bantustans or it would be lower still.)

The number of workers employed in state job creation schemes is dropping from 300,000 in 1989/80 to 90,000 in 1990/91. Other, similarly administered, state benefits which you can claim include a blind pension, a war veteran's pension, a disability grant, a parents' grant, a foster-care grant and a children's grant.

The demand for a Living Unemployment Fund looks at the mere three million people who are unemployed, or about 43% of the economically active population. Most of these people are young, including work seeking workers who have never had a job. This unemployment rate is rising at the rate of one million every three years. So, we can see that the money is going to have to change very radically to provide all the jobs that are needed.

It is also very difficult to claim Unemployment Insurance Fund when you lose your job. There are many forms. Claimants have to wait at least two months and the money is less than half of what you were earning when you had a job. You will only receive more and pay it for every six weeks you worked, up to a maximum of six months. You also have to prove that you are looking for a job.

CURRENT OLD-AGE PENSION SCHEMES

Most based organizations are presently struggling against a system where the state old-age pension is different for Africans, coloureds, Indians, and whites. For black pensioners, claiming pension money is hard. People have died waiting in pension queues outside in the cold or the heat or the rate. Pensioners are robbed. Clerks defraud pensioners. Most banks and building societies will not open accounts for pensioners, because pensioners are forced to withdraw their money almost immediately. For most white pensioners, the money is paid into accounts or sent to the post office. There are also huge race-based differences in the provision of other facilities for housing and feeding the old, ill or the young.

STATE POLICY

From the time of the triennial Parliament in 1953, the state has responded to its ongoing fiscal crisis by trying to shed responsibility for pensions and unemployment benefits. It has called for the private sector and individuals to take over responsibility for providing for retirement. The government says that private agencies should take over social welfare programmes such as feeding schemes and creches for children. The state wants social security schemes to be privatized.

The state is also persisting in dividing people by race. Pensions and unemployment benefits are different, and administered differently, according to the race to which you are allocated. Most recently the state has been saying that each community must provide for its own, according to their accepted standards. This comes to the same thing as allowing workers to suffer compared to those in retirement villages or drawing civil service pensions in the supermarkets.

On 2 February 1990, when the state's white government pledged itself to pay $2 billion to schemes to share out the country's wealth, nothing has changed. As in the past it is the workers through the new 1st October Value Added Tax (VAT) on most goods and services, the state is promising to redistribute most of the money to the poor. Recent estimates of this would come to about $2.25 per household per month, barely enough to buy two loaves of bread. If all the money even reaches most poor families.

The Minister of Finance said in his Budget speech last year that 40% of the Budget would be devoted to social services like education, health, housing and welfare. Where did it go?

Businesses are not accepting this handover of state responsibility. Most bosses refuse to negotiate provident funds. In the chemical industry, workers in some companies have fought strikes of over two months long without winning a national industry-based fund. Most bosses are rejecting the right of workers to fight together on a national level, and bargain for social security at the central Cemtrally. Employers are also rejecting industry level funds which would cover the unorganised.

Instead the majority of bosses are attacking workers who campaign to keep their profits up. We also know that bosses are rethinking workers to keep their profits up.

WHO DOES THE STATE CARE FOR?

You try answer this question based on your daily experience. You might like to think about how Workmen's Compensation works. The laws largely operate to protect bosses e.g. by preventing workers from taking legal cases against their employers where they are injured on duty. Racial discrimination on social security benefits is built into the laws. The laws also penalize most workers e.g. unemployment and Workmen's Compensation benefits are never enough because they are directly linked to a worker's race and income and therefore for most black workers they are calculated on less than half of already low wages. Under this system of apartheid capitalism, we have a situation in 1987 where the Africans who were 74% of the population earned 57% of the income, while the whites who were 14% of the population earned 62% of the income. We think we need a system where benefits are the same for everyone and are linked to the cost of living. What do you think? We will have more on Social Security next week.
Cosatu refuses to join revamped UIF board

By DREW FORREST

IN a move linked to its withdrawal from the National Manpower Commission, the Congress of South African Trade Unions is to refuse an invitation to sit on the Unemployment Insurance Board (UIB).

Cosatu had been asked to join a new board for its three years of office, from October this year to October 1994. Originally, the federation’s goods and services committee recommended participation with a view to restructuring the UIB and bringing changes to the Unemployment Insurance Act.

However, at its weekend meeting, the Cosatu central executive committee decided that in the light of delays in restructuring the NMC, attempts to revamp the board from within were unlikely to be productive.

It decided instead to take demands for improvements in unemployment insurance to proposed national negotiations with the state and employers on the economy.

Cosatu’s Lisa Seftel said that if macro-economic talks produced a binding agreement on UIF, including the restructuring of the board, Cosatu would review its refusal to participate.

Cosatu’s decision reflects growing union discontent with the benefits of participation in state structures.

Coupled with the federation’s withdrawal from the NMC, it is a significant setback for embryonic “tripartism” on the labour front.
New unemployment cover for executives

TOM HOOD
Business Editor

EXECUTIVES can now take insurance cover against losing their job through retrenchment or redundancy.

A world-first insurance product devised by the Sage group pays the policyholder up to 60 percent of monthly taxable earnings for a period of six or 12 months.

A second product, Bondpay, enables the retrenched employee to fund mortgage instalments.

The new products, announced today, are underwritten by Sage Specialised Insurances, an associate of Sage Life.

"The need for job loss insurance is highlighted in the current situation, where an increasing number of highly skilled and well-paid executives are being retrenched," says Dr Morris Bernstein, managing director of Sage Life.

"The State Unemployment Fund (UIF) only covers those who earn less than R3 861 a month, so there is no support for retrenched executives, who are forced to use up their severance packages in order to meet immediate financial commitments."

Employees between the ages of 18 and 55 with monthly taxable earnings of at least R4 000 and who has been with the same employer for 24 months are eligible.

The policy may not be offered to anyone contributing to UIF.

On a salary of R4 000 a month R84 (which, after tax saving, amounts to R52,08 — only 1,3 percent of earnings) will secure a payout of R2 400 a month for up to six months.

The Bondpay policy pays up to 150 percent of bond instalments for six or 12 months.
GOVERNMENT GAZETTE, 15 NOVEMBER 1991

No. R. 2697 15 November 1991

WET OP BEHEER OOR WYN EN SPIRITUS, 1970 (WET No. 47 VAN 1970)

MAKSIMUM HOEVEELHEID DRIUWE WAT IN 1992/93 GEKOOP VAN VERKRY MAG WORD

Ek, André Isak van Niekerk, Minister van Landbou, handelende kragtens artikel 16 (2A) van die Wet op Beheer oor Wyn en Spiritus, 1970 (Wet No. 47 van 1970), stel hierby die maksimum hoeveelheid druiwe wat gedurende die jaar 1 Februarie 1992 tot 31 Januari 1993 in totaal van wynboere en koöperatiewe verenigings gekoop of verkry mag word deur persone wat gelisensioneer is om in drank handel te dryf en distilleers, op 53 802 metriëke ton vas.

A. I. VAN NIEKERK,
Minister van Landbou.

DEPARTEMENT VAN MANNEKRAG
No. R. 2698 15 November 1991

WERKLOOSHEIDVERSEKERINGSWET 1966
WERKLOOSHEIDBYSTANDSKOMITEES

Ek, Eli van der Merwe Louw, Minister van Mannekrag, handelende kragtens artikel 16 van die Werkloosheidsversekeringswet, 1966 (Wet No. 30 van 1966), wysig hierby Goewermentskennisgewing No. R. 841 van 21 Mei 1971 deur die Bylae daarby deur die Bylae hieronder uiteengesit, te vervang en stel hierby met ingang van 1 Januarie 1992 die Werkloosheidbystandskomitees in wat in die Bylae hiervan genoem word, met seegenskap in die gebiede vermeld.

E. VAN DER M. LOUW,
Minister van Mannekrag.

BYLAE

<table>
<thead>
<tr>
<th>Naam van werkloosheid-bystandskomitee</th>
<th>Regsgebied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Werkloosheidbystandskomitee, Johannesburg</td>
<td>Die landdistrikte Johannesburg, Randburg en Roodepoort.</td>
</tr>
<tr>
<td>Werkloosheidbystandskomitee, Durban</td>
<td>Die Provinsie Natal.</td>
</tr>
</tbody>
</table>

DEPARTMENT OF MANPOWER
No. R. 2698 15 November 1991

UNEMPLOYMENT INSURANCE ACT, 1966
UNEMPLOYMENT BENEFIT COMMITTEES

I, Eli van der Merwe Louw, Minister of Manpower, acting in terms of section 16 of the Unemployment Insurance Act, 1966 (Act No. 30 of 1966), hereby amend Government Notice No. R. 841 of 21 May 1971 by the substitution for the Schedule thereto of the Schedule set out below and establish with effect from 1 January 1992 the Unemployment Benefit Committees referred to in the Schedule hereto having jurisdiction in the areas specified.

E. VAN DER M. LOUW,
Minister of Manpower.
Rapport van werklooshedsbystandskomitees

6. Werklooshedsbystandskomitee, Bloemfontein

7. Werklooshedsbystandskomitee, Germiston
Die landdrosdistraktie Alberton, Benoni, Boksburg, Brakpan, Germiston, Heidelberg (Transvaal), Nigel, Oberholzer, Sasolburg, Springs, Vanderbijlpark, Vereeniging en Westonaria.

8. Werklooshedsbystandskomitee, Witbank
Die landdrosdistraktie Amersfoort, Balfour, Barberton, Belfast, Bethal, Bochum, Bolo-
bedu, Carolina, Ellersies, Ermelo, Giyani, Groblersdal, Hoëveldrif, Letaba, Lyden-
burg, Malamulele, Mdutjana, Messina, Middelburg (Transvaal), Mokorong, Moutse, Naphuno, Nebo, Nelspruit, Pilgrimsrus, Phalaborwa, Piet Retief, Pieters-

9. Werklooshedsbystandskomitee, Oos-Londen
Die landdrosdistraktie Cathcart, Elliot, Fort Beaufort, Indwe, King William's Town, Komga, Lady Grey, Maclear, Molteno, Oos-Londen, Queenstown, Stockenström, Stutterheim en Wodehouse.

10. Werklooshedsbystandskomitee, Kimberley

**SCHEDULE**

<table>
<thead>
<tr>
<th>Name of unemployment benefit committee</th>
<th>Area of jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Unemployment Benefit Committee, Durban</td>
<td>The Province of Natal.</td>
</tr>
</tbody>
</table>
| 5. Unemployment Benefit Committee, Cape Town | The Magisterial Districts of Beaufort West, Bellville, Bredasdorp, Caledon, Calitz-
dorp, Calvina, Carnarvon, Ceres, Clanwilliam, Frazerburg, George, Goodwood, Heidelberg (Cape Province), Hermanus, Hogsfield, Kynsna, Kuils River, Ladi-
smith, Laingsburg, Malmesbury, Montagu, Moorreesburg, Mossel Bay, Murays-
No. R. 2707 15 November 1991
WET OP MANNEKRAGOPLEIDING, 1981
MINING INDUSTRY ENGINEERING TRADES TRAINING BOARD: WYSIGING VAN LEERVOORWAARDES
(a) deur in klausule 3 van die Voorwaardes subsidie klausule (1) (a) deur die volgende subsidie klausule te vervang:
"(1) (a) 'n Werkgever moet 'n vaklering maande-
lik besoldig ooreenkomstig die vaklering se jaar van erkende diens teen minstens die skale hieronder uiteengesit:

<table>
<thead>
<tr>
<th>Jaar van erkende diens</th>
<th>Skaal per jaar</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eerstejaar</td>
<td>864</td>
<td></td>
</tr>
<tr>
<td>Tweedejaar</td>
<td>996</td>
<td></td>
</tr>
<tr>
<td>Dertedejaar</td>
<td>1 144</td>
<td></td>
</tr>
<tr>
<td>Vierdejaar</td>
<td>1 315</td>
<td></td>
</tr>
<tr>
<td>Vijfdejaar</td>
<td>1 512</td>
<td></td>
</tr>
<tr>
<td>Sesdejaar</td>
<td>1 737</td>
<td></td>
</tr>
<tr>
<td>Sedemdejaar</td>
<td>1 998</td>
<td></td>
</tr>
</tbody>
</table>

E. VAN DER M. LOUW,
Minister van Mannekrag.

No. R. 2707 15 November 1991
MANPOWER TRAINING ACT, 1981
MINING INDUSTRY ENGINEERING TRADES TRAINING BOARD: AMENDMENT OF CONDITIONS OF APPRENTICESHIP
(a) by the substitution in clause 3 of the Conditions for subclause (1) (a) of the following subclause:
"(1) (a) An employer shall pay an apprentice monthly in accordance with the apprentice's year of recognised service, at not less than the rates specified below:

<table>
<thead>
<tr>
<th>Year of recognised service</th>
<th>Rate per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year</td>
<td>864</td>
</tr>
<tr>
<td>Second year</td>
<td>996</td>
</tr>
<tr>
<td>Third year</td>
<td>1 144</td>
</tr>
<tr>
<td>Fourth year</td>
<td>1 315</td>
</tr>
<tr>
<td>Fifth year</td>
<td>1 512</td>
</tr>
<tr>
<td>Sixth year</td>
<td>1 737</td>
</tr>
<tr>
<td>Seventh year</td>
<td>1 998</td>
</tr>
</tbody>
</table>

E. VAN DER M. LOUW,
Minister of Manpower.

No. R. 2708 15 November 1991
WET OP MANNEKRAGOPLEIDING, 1981
TEKSTIELNWERHEID: AANWYSING VAN AMBAGTE EN VOORSKRYWING VAN LEERVOORWAARDES
Ek, Eli van der Merwe Louw, Minister van Mannekrag, handelende kragtens artikel 13 van die Wet op Mannekragopleiding, 1981—
(a) wys hierby in die Tekstielnwerheid in die Republiek van Suid-Afrika ondervermelde ambagte
Job-loss protection for the high earners

By IAN SMITH

WIDESPREAD re-entrainment, hitting skilled and managerial employees for the first time since the Second World War, has opened a market niche for the Sage and IGI insurance groups.

They have formed Sage Specialised Insurances (SSI), 80% held by Sage and the rest by IGI, to provide cover for retrained professionals.

The first of two new policies is designed to cover up to 60% of monthly taxable income for retrained or redundant employees who earn at least R4 600 a month. It is claimed to be the first policy of its type in the world.

Difficult

The BondPayer policy covers the retrained employee earning at least R2 000 a month for up to 100% of bond instalments. The premium is designed to cover interest increases and PAYE.

"The increasing number of highly skilled and well-paid people who are being retrained highlights the need for both policies," says SSI executive deputy chairman Morris Bernstein.

"The number of qualified people looking for jobs and the limited number of vacancies make it difficult to find new posts quickly. The cover is designed to tide them over until they are placed."

Both policies will provide monthly payments for six months or a year.

Research carried out in preparation for the launch of the policies shows that it usually takes between four months and a year for an executive to find a new job.

The State Unemployment Fund (SUF) covers people who earn less that R3 861 a month. Retrained executives are often forced to use their severance pay to meet monthly expenses and replace a company car.

SSI chief operations officer Tony Singleton says: "Retraining is beyond the control of the employee. Historically it has seldom figured in executives' regular financial planning."

The policies are open to employees between the ages of 18 and 56 who are retrained because of the employer's lack of business or company closure and to those who become redundant because a post is eliminated. Retrained employees must register with at least two approved employment agencies before they benefit.

Exclusions include job loss through ill-health, injury, pregnancy, strikes, misconduct, resignation and retirement.

Test research shows that 34% of eligible people questioned said they would include Job Loss cover in their financial planning and another 36% said they would consider the option.

"This indicates there is a growing awareness of the risk of unemployment," says Mr Singleton.

Record

Labour consultant Andrew Levy says it is impossible to make an accurate estimate of the number of unemployed people, but most surveys put the figure at between 45% and 50% of the economically active population.

The SIF announced a record payout of R83-million in benefits in the first eight months of the year.

Mr Levy says: "For the first time in post-war history skills give no guarantee of job protection. Our experience shows that clerical, professional and managerial employees are affected."

"They include large numbers of accountants, lawyers, stockbrokers, engineers, draughtsmen, architects, general managers, advertising and personnel executives."

He says retraining will increase as the recession continues and job openings

Tractors speed up

A RUSH to buy tractors after the introduction of VAT lifted sales to 464 in October from 333 in the same month last year.

The sharp improvement suggests that sales for the year could rise to about 3 000 units compared with forecasts of 2 500, according to the SA Agricultural Machinery Ass
Fears over new UIF cash payout

By Zingisa Mkhuma

Unemployment Insurance Fund beneficiaries — who are now being paid in cash in terms of the new scheme introduced by the Department of Manpower last month — fear they may be targets for robbers.

But people with no bank accounts have welcomed the scheme, saying it saves them the trouble of having to have their cheques endorsed before they can cash them.

Carol O’Leary, who received her cash payment for the first time at the Department of Manpower office in Johannesburg yesterday, said she feared that carrying cash would expose her to muggers and thieves.

“It won’t take long for crooks in Joburg to know that we are getting cash from the department — and this is when women who are at a risk of being mugged in town,” she said.

Esabel Marais of Montecarlo agreed that people now ran the risk of walking the streets with cash in their pockets.

She said: “At least we should be given an option to have a bank account and it would feel much safer with cheques.”

But Patience Buthelezi of Emdeni in Soweto said he welcomed the cash payment system because he didn’t have a bank account.

However, Mr Buthelezi and others complained that the introduction of a single payment point had led to long queues and increased waiting time.

Department of Manpower Johannesburg regional director Monty Knoesel said the department had introduced the scheme after numerous requests from unemployed people who did not have bank accounts.

He said the number of endorsement requests increased dramatically from 200 in April last year to 1,200 in November.

Mr Knoesel said most banks would not open accounts for unemployed people and that these people had to go back to have cheques endorsed.

“We were duplicating work as we had to give out cheques, and the people would bring them back for endorsement. Then they had to go and cash them at the Reserve Bank.”

Mr Knoesel admitted there had been “teething problems.”
The Parliamentary Committee on Public Accounts has expressed concern at the extent of fraudulent cashing of UIF cheques.

In a report tabled on Thursday, 31st, dated April 1991, the Committee said that, the auditor-general, in his report on General Affairs for 1989-90, had noted 3,287 benefit cheques from the UIF amounting to R3.7m were intercepted and cashed unlawfully.
More apply for UIF

Some 8,000 demands were being handled on the Unemployment Insurance Fund (UIF) at the number of beneficiaries reached 277,352 last year, up by 25% over 1982. The number of beneficiaries has increased steadily since the UIF was introduced 20 years ago. President Sophiatown, UIF commissioner, spoke to reporters at the fund's annual general meeting. Dr. D. S. N. Sandhu said yesterday that the fund was able to make out

Supplementary income grant to R300 from R150 last year. 
More dip into UIF as joblessness soars

About R105 million is paid out each month as more and more jobless people dip into the Unemployment Insurance Fund. UIF commissioner Jack Schepers said yesterday about R105 million was paid out each month to about 250,000 beneficiaries. "On average about 62,000 new applications for benefits have been received during 1991 compared to 48,000 each month during 1990," he said.
Little cheer greets Bill extending UIF

CAPE TOWN — An amended draft law extending unemployment insurance to farm workers has been met with little enthusiasm from two groups who were party to National Manpower Commission negotiations on the issue.

The Unemployment Insurance Amendment Bill potentially excluded up to half the country’s estimated 1.2-million farm workers from qualifying for unemployment benefits, a spokesman for the Department of Manpower said yesterday.

The Bill was published last year, and reissued on Tuesday with relatively minor amendments.

It proposes that seasonal workers — farmhands hired for less than four continuous months a year with the same employer — be excluded from the the Act. This provision could be extended to eight months.

SA Agricultural Union (SAAU) co-director Kobus Kleynhans said farmers had serious misgivings about the Bill. S102.1215.12

Johann Hammann, of the Centre for Rural Legal Studies in Stellenbosch, said it was understandable that seasonal workers had been excluded as “their ability to contribute to the fund is limited by starvation wages and regular unemployment”.

But this did not mean that seasonal workers should not be granted social rights. They were indispensable for crop harvesting. “To treat them as unworthy would be to ignore their contribution to the economy.”

Their average annual income — R91 according to 1990 Central Statistical Service figures — amounted to barely 8% of the generally accepted minimum living level. — Sapa.
Fund ‘will cope’ with rise in unemployment

CAPE TOWN — About 74,000 people had claimed unemployment benefits each month this year, 12,000 more than in 1991, Deputy Manpower Minister Glen Carelse said yesterday.

There was no cause for worry that the Unemployment Insurance Fund would not cope, despite the flood of applications, he said during the manpower budget vote debate.

Contributions to the fund would be increased soon.

The maximum annual income for contributors to qualify for unemployment insurance had been raised to R53 044 on May 1 from R46 328.

A new building costing about R50m was to be built to accommodate the administration of the fund as the Laboria Building in Pretoria was too small. Construction was expected to be completed by the second half of 1994.

UIF claims were paid out within four weeks of application and delays were caused mostly by employers who did not comply with the Unemployment Insurance Act.

Manpower Minister Piet Marais said the department intended combining its job creation and unemployment training schemes.

It was decisively important that the training of unemployed people be fitted into the country’s total training structure, he said.

About 1.4 million unemployed people had been trained between 1986 and 1991. Of these, about 25% had been employed immediately and another 15% entered the informal sector or were given jobs later.

The job-creation programme had given work to unemployed people for short periods, mainly to create fixed assets for local authorities. Once the work had been completed they were left jobless.

The department had found that lack of suitable jobs created false expectations on completion of training.

The erosion of new-found skills of people who could not immediately be placed in employment raised the question of whether training funds were being spent effectively. Courses were “ad hoc” and did not contribute significantly to an individual’s market value.

The department was trying to lay the ground for structured qualifications. Training for the formal sector would be based on institutional training and training on the job.

It was envisaged that it would be financed from the Fund for the Training of Unemployed Persons and from funds released by Parliament. — Sapa.
UIF claims rocket in recession

By Shirley Woodgate

Applications for unemployment benefits have soared from an average of 43 000 a month in 1990 to 62 000 last year and 74 000 in 1992, with no indication that the climb will be halted in the current economic climate.

Unemployment Insurance Fund commissioner Jack Schepers said the fund was currently paying out about R105 million monthly to about 220 000 beneficiaries in five different categories: maternity, sickness, adoption, death and, by far the biggest, unemployment.

Between 30 and 85 percent of the beneficiaries were in the skilled and semi-skilled sector and individual payments were therefore limited to small amounts.

A serious implication for these people was that they were the least likely to find alternative employment when they were retrenched, and unemployment payments were paid out for only six months, after which time the employee was on his own.

The maximum salary for qualifying for unemployment benefits is R35 000 a year.

Mr Schepers said the fund was "very sound", with its current reserves standing at R1.1 billion.

However, if the present economic situation persisted or worsened, it might become necessary to reassess the actuarial projections.

A total of 176 000 employers are registered with the fund, collectively responsible for deducting contributions from 6.1 million employees.

The current rate of contributions is 0.9 percent of salary from each employee, matched by the employer, making a total contribution of 1.8 percent of salary to the fund.

Mr Schepers said these were low compared to the scale of benefits which equalled 45 percent of the employee's last monthly earnings and the fact that benefits paid over six months generally matched contributions paid over 20-35 years.

It was important that employees realised they had to apply to one of the Department of Manpower's 466 payout points or any Department of Justice office for UIF benefits within 91 days of being retrenched, even before receiving their "blue card" (unemployment insurance record card), or else they risked being disqualified for late applications.

During 1991 the UIF prosecuted 7 000 employers who did not have blue cards or failed to pay contributions to the fund during the year.

These were usually small businesses with between four and 20 employees on their books. In these cases, employees who were retrenched failed to qualify for proper benefits.
Farmworkers to get UIF benefits

A BILL aimed at bringing farmworkers under the ambit of the Unemployment Insurance Fund was debated in parliament this week.

The Unemployment Insurance Amendment Bill provides for seasonal workers to qualify for unemployment insurance after four months' work for the same employer.
PRETORIA — The R1.1bn Unemployment Insurance Fund (UIF) is maintaining a balance between income and payouts in spite of the steady increase in unemployment over the past three years.

In the first six months of the year the number of applications for benefits averaged 70,000 a month compared with a monthly average of 64,000 for the whole of last year. The trend is continuing, according to a UIF spokesman.

However, the situation was being closely monitored and the fund's actuaries said there was no need for concern that the fund would have to dip into its capital reserves.

Another statistic reflecting the increasing number of jobless is the number of payments from the fund in the first six months of this year, which averaged 212,000. This compares with a monthly average of 200,000 during 1991.

In spite of the increased number of unemployed, higher earnings have compensated for any income loss.

The earnings ceiling below which workers are obliged to contribute is R54,000. The employee and employer pay 0.5% each of the worker's gross earnings. Last year the average payouts totalled R103m and income about R116m.

A beneficiary is entitled to 45% of his last earnings for six months.

Job losses paint a bleak picture

CAPE TOWN — In nearly one in five black households, at least one family member had recently lost their job, a public opinion survey conducted earlier this year has found.

The survey found that 18% of black households had experienced a family member's job loss because of retrenchment, redundancy or the employer’s business closing down.

The results of the poll were released last week by Research Surveys.

It said it seemed that most of those retrenched had lost their jobs between February and May this year.

In most cases where the breadwinner had lost his job, other employed members of the family had been able to provide partial or complete support, but in one of three of these households there had not been alternative support from other household members.

While 33% believed the position of breadwinners would improve over the next year, 18% thought it would get worse and 30% were unable to predict whether their circumstances would change.

"Although the majority of black metropolitan households do not appear to have been hit by the recession through retrenchment or redundancy, it is nonetheless disturbing to think that fully one in five has been affected to some extent."

"Given the uncertainty on the political front, it is dubious whether the situation will improve in the foreseeable future, and whether the optimism of certain of these households will be justified," Research Surveys said.
Trainer cautioned over UIF

Racehorse trainer Arthur Faul, convicted of not paying funds to the Unemployment Insurance Fund, was yesterday cautioned and discharged in the Johannesburg Magistrate's Court.

Magistrate R le Roux noted that Faul had subsequently paid the R523 he owed. He accepted Faul's explanation for not appearing in court on the previous trial date.

Faul said: "I was not aware I had to be in court as I never received a summons personally."

Faul was charged with failing to pay funds between August 1 last year and March 10 this year and failing to submit the relevant statements.

Court Reporter.
UIF pays R105m a month to jobless

PRETORIA — Payments out of the Unemployment Insurance Fund (UIF) are averaging R105m a month. About 70 000 applications were being received every month and about 212 000 payments were being made, a UIF spokesman said at the weekend.

The R1,1bn-strong fund could be strained if an estimate that 500 000 more people would join the ranks of the unemployed in the next 12 months turned out to be accurate. The estimate was made by Afrikaanse Handelsinstituut economist Nick Barnardt.

A UIF spokesman said at least some of this number would be entitled to fund benefits. While fund reserves had increased in recent years, current income roughly matched payouts.

DP manpower spokesman Brian Goodall said the current strength of the fund should enable it to withstand the expected big increase in the numbers of unemployed people for a while.

However, legislation amended in Parliament last session to include farm workers could place great strain on the fund, possibly necessitating an increase in employer-worker contributions or an increase in the current government grant of R7m, he said.

A Manpower Department spokesman said the likely implementation date for the amendment was January.

Farmers would be given time to register.

Currently employers and workers each contribute 0,5% of wages and salaries to the fund.

It is compulsory for anyone who earns less than R54 000 a year to contribute to the fund.
How the Unemployment System Works

In order to claim unemployment insurance, you must be a domestic worker. This means you work at least 30 hours a week, have your own home, and work for only one employer. You must also have earned at least $2,000 in wages during the two weeks before you become unemployed.

To qualify for unemployment benefits, you must file a claim within 14 days of losing your job. You can file your claim online, by phone, or in person at your local unemployment office. You will need to provide information about your previous employment, including your employers' names and addresses.

If you are approved for benefits, you will receive weekly payments while you search for new work. The amount you receive will be based on your previous earnings. Unemployment benefits are taxable, and you will receive a Form 1099-G at the end of the year.

To keep receiving benefits, you must actively search for work and meet certain eligibility requirements. If you do not meet these requirements, your benefits may be reduced or terminated.

Unemployment benefits are funded by employers and employees through a system of contributions. The program is administered by the state, with federal oversight.

Information courtesy of the U.S. Department of Labor.
PROKLAMASIE
van die
Staatspresident
van die Republiek van Suid-Afrika
No. 101, 1992
WYSIGINGSWET OP WERKLOOSHEID-
VERSEKERING, 1992
(WET No. 130 VAN 1992)
Kragtens artikel 18 van die Wysigingswet op Werk-
loosheidversekering, 1992 (Wet No. 130 van 1992),
bepaal ek hierby 8 September 1992 as die datum
waarop artikel 15 van genoemde Wet in werking tee.
Gegee onder my Hand en die Seël van die Repu-
bliek van Suid-Afrika te Pretoria, op hede die Derde
dag van September Eenduisend Negehonderd Twee-
en-negentig.
F. W. DE KLERK,
Staatspresident.
Op las van die Staatspresident-in-Kabinet:
L. WESSELS,
Minister van die Kabinet.
15. KLOUSLE 48: WERKGEWERS-ORGANISASIEGELDE

(a) Vervang die uitdrukking "25c" in subklausule (1) deur die uitdrukking "40c".

(b) Vervang die uitdrukking "drie volle werkdae" in subklausule (2) deur die uitdrukking "40 uur".

16. KLOUSLE 47: OPLEIDINGSFONDS VIR DIE BOUWYVERHEID

Vervang subklausule (1) deur die volgende:

"(1) Nademal die Raad verwittig is van die instelling van die Opleidingskemara vir die Bouwyverheid ingestel deur die Bouindustriëel Federasie (Suid-Afrika), ingevolge Gouwennentskenningswrig R. 1948 van 11 September 1987, kragtens die Wet op Mameknagopleiding, 1981], mag die Raad hierby, vir die doel om die oogmerke te implementeer wat in die konstitusie van genoemde Opleidingskema uiteengesit word, die insameling van bydrae ooreenkomslik met die procedures soos voorgekry en bereken teen 1.5% van die brutoweeklike lonne betaal deur 'n werkgeriew. Die Raad is verder geregtig op 'n insinmeringsgeld soos voorgekry in die konstitusie van genoemde Opleidingskema.

(2) 'n Opleidingskema, soos voorgekry deur die Bouindustriëel Federasie (Suid-Afrika) en in ooreenstemming met die Wet op Mameknagopleiding, 1981, moet in die landboudistrik Kroonstad ingestel gestel word.".

17. Voeg die volgende nuwe klausules 47A en 47B in:

"47A. SPAARSKEMA

(1) 'n Werkgever kan, met die skriflike toestemming van sy werknemer vir wie 'n loon in klausule 4 (1) van die Ooreenkoms voorgekry is, 'n bedrag van R2 per week aftrek van die loon van sodanige werknemer wat minstens 40 uur gedurende daardie week vir hom gewerk het.

(2) Bedrae wat ingevoeg subklausule (1) afgetrek word, moet weeklikse aan die Raad betaal word en moet namens die betrokke werknemer deur die Raad in 'n spesiale trustrekening gehou word.

(3) Die bedrag in die krediet van die werknemer moet voor of op 31 Desember elke jaar deur die Raad aan hom betaal word, min die bedrag wat met die magtiging van die werknemer as ledegel aan die vakvereniging betaal moet word.

47B. KLAGTES

Alle klagtes moet binne vier weke na die ontstaan van 'n geskil tussen 'n werkgever en 'n werknemer by die Raad se aangemeed word.

Aldus gedoen en geteken namens die partye te Kroonstad hede die 30ste dag van Oktober 1991.

J. H. LABUSCHAGNE,
Voorst. sitter.

F. L. E. R. GELDENHUIS,
Ondervoorsitter.

M. M. KEEVEY,
Sekretaris.

No. R. 2585
11 September 1992
WERKLOOSHEIDSVERSEKERINGSWET, 1966
WYSIGING VAN REGULASIES

Die Minister van Mameknag het kragtens artikel 62 van die Werkloosheidsversekeringswet, 1966 (Wet No. 30 van 1966), die regulasies in die Bylae hierby, uitgee.

15. CLAUSE 46: EMPLOYER'S ORGANISATION FEES

(a) In subclause (1), substitute the expression "40c" for the expression "25c".

(b) In subclause (2), substitute the expression "40 hours" for the expression "three full working days".

16. CLAUSE 47: BUILDING INDUSTRIES TRAINING FUND

Substitute the following for subclause (1):

"(1) Whereas the Council has been advised of the establishment of the Building Industries Training Scheme [inaugurated by the Building Industries Federation (South Africa) in terms of Government Notice R. 1948 of 11 September 1987, in accordance with the Manpower Training Act, 1981, the Council hereby authorises, for the purpose of implementing the objects set forth in the constitution of the said Training Scheme, the collection of contributions and calculated at a rate of 1.5% on the weekly gross wages paid by an employer. The Council is furthermore entitled to a collection fee as prescribed in the constitution of the said Training Scheme.

(2) A Training Scheme, as prescribed by the Building Industries Federation (South Africa) and in accordance with the Manpower Training Act, 1981, shall be instituted in the magisterial district of Kroonstad."

17. Insert the following new clauses 47A and 47B:

"47A. SAVINGS SCHEME

(1) An employer may, with the consent of his employee for whom wages are prescribed in clause 4 (1) hereof, deduct an amount of R2,00 per week from the wage of each employee who has worked for him for not less than 40 hours during that week.

(2) Amounts deducted in terms of subclause (1) shall be paid weekly to the Council and shall be retained by the Council on behalf of the employee concerned in a special trust account.

(3) The amount standing to the credit of the employee shall be paid to him by the Council by not later than 31 December each year, less any amount authorised by the employee to be paid in respect of subscriptions to the trade union.

47B. COMPLAINTS

All complaints are to be reported to the Council’s agent within four weeks from a dispute arising between an employer and an employee."

Thus done and signed at Kroonstad on behalf of the parties, this 30th day of October 1991.

J. H. LABUSCHAGNE,
Chairman.

F. L. E. R. GELDENHUIS,
Vice Chairman.

M. M. KEEVEY,
Secretary.

No. R. 2585
11 September 1992
UNEMPLOYMENT INSURANCE ACT, 1966
AMENDMENT OF REGULATIONS

The Minister of Manpower has, under section 62 of the Unemployment Insurance Act, 1966 (Act No. 30 of 1966), made the regulations set out in the Schedule hereto.
**BYLAE**

**Woordomskrywing**


**Wysiging van regulasie 4 van die Regulasies**

2. Regulasie 4 van die Regulasies word hierby gewysig—

(a) deur subregulasie (1) deur die volgende subregulasie te vervang:

"(1) ’n Lid van die raad of van ’n komitee, uitgesonderd ’n lid wat ’n beampte is, word ’n toelae of besoldiging betaal van, in die geval van ’n raadslid, R34,00 per uur met ’n maksimum van R72,00 per dag en, in die geval van ’n komiteelid, R30,00 per uur met ’n maksimum van R233,00 per dag, ten opsighte van elke uur waartydens so ’n lid ’n vergadering van die raad of van ’n komitee, na gelang van die geval, bywoon of daarheen of daarvandaan reis."; en

(b) deur in paragraaf (a) van subregulasie (2) die uitdrukking "spoorweg- of padmotoridiens van die SA Spoorwegadministrasie" deur die uitdrukking "vervoerdienis van Transnet Bpk. of van die Suid-Afrikaanse Spoorendekorporasie Bpk." te vervang.

**Inwerkingtreding**

3. (1) Die wysiging van regulasie 4 (1) van die Regulasies word geag op 1 Julie 1991 in werking te getree het.

(2) Die wysiging van regulasie 4 (2) (a) van die Regulasies word geag op 1 April 1990 in werking te getree het.

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**SCHEDULE**

**Definition**


**Amendment of regulation 4 of the Regulations**

2. Regulation 4 of the Regulations is hereby amended—

(a) by the substitution for subregulation (1) of the following subregulation:

"(1) A member of the board or of a committee, other than a member who is an officer, shall be paid a remuneration or allowance of, in the case of a board member, R34,00 per hour with a maximum of R72,00 per day and, in the case of a committee member, R30,00 per hour with a maximum of R233,00 per day, in respect of every hour during which such member attends to travel to or from a meeting of the board or of a committee, as the case may be."; and

(b) by the substitution in paragraph (a) of subregulation (2) for the expression "rail or motor service of the SA Railways Administration" or the expression "transport service of Transnet Ltd. or of the South African Rail Commuter Corporation Ltd".

**Commencement**

3. (1) The amendment of regulation 4 (1) of the Regulations shall be deemed to have come into operation on 1 July 1991.

(2) The amendment of regulation 4 (2) (a) of the Regulations shall be deemed to have come into operation on 1 April 1990.

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**No. R. 2597**

11 September 1992

**WET OP ARBEIDSVERHOUDINGE, 1956**

**INTREKKING VAN GOEWERMENSKENNISGEWING**

**KLERAISIENYWERHEID, KAAP: OORENKOMS VIR DIE PLATTELANDSE GEBIEDE**

Ek, Glen Morris Edwin Carelse, Adjunkminister van Mannekrag, trek hierby, kragtens artikel 48 (5) van die Wet op Arbeidsverhoudinge, 1956, Goewermentskennisgewing R. 2355 van 21 Augustus 1992, in met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing.

**G. M. E. CARELSE,**

Adjunkminister van Mannekrag.

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**No. R. 2597**

11 September 1992

**LABOUR RELATIONS ACT, 1956**

**CANCELLATION OF GOVERNMENT NOTICE**

**CLOTHING INDUSTRY, CAPE: AGREEMENT FOR THE COUNTRY AREAS**

I, Glen Morris Edwin Carelse, Deputy Minister of Manpower, hereby, in terms of section 48 (5) of the Labour Relations Act, 1956, cancel Government Notice R. 2355 of 21 August 1992, with effect from the second Monday after the date of publication of this notice.

**G. M. E. CARELSE,**

Deputy Minister of Manpower.
Unemployment Fund’s payouts exceed income

GERALD REILLY

PRETORIA — The Unemployment Insurance Fund’s subscription income had been overtaken by benefits payouts, a fund spokesman said at the weekend.

However, when the fund’s investment interest and government’s annual R7m grant are taken into account the reserves, just more than R1bn, are being maintained at that level.

The UIF has asked its actuaries to report on the fund’s ability to maintain itself against a background of continually rising unemployment.

“We are not in dire straits but we must obviously look ahead,” a fund spokesman said.

He pointed out provision was made in legislation governing the fund for government to make bigger contributions should this be necessary.

The spokesman said depletion of the fund was being accelerated by the greater number of unemployed and the resultant smaller contributions to the fund.

It was also found that periods of unemployment generally were longer and benefits had to be paid out for longer periods.

At present there are just over 6 million employee contributions to the fund and 175,000 employers.

Fund statistics show in the eight months to end-August the number of applications for benefits increased by nearly 70,000 to 374,490.
4. GENERAL PROVISIONS
The provisions contained in clauses 3 to 27 of the Former Agreement, as further extended, renewed, amended or re-enacted from time to time, shall apply to employers and employees.

5. CLAUSE 12: BENEFITS
Substitute the following for subclause (1) (i):
"(i) The total amount of benefits payable to a member and his dependants in any one year shall not exceed the following amounts:
  * In the case of a member contributing a minimum of R8,50 per week: R2 000.
  * In the case of a member contributing a minimum of R12,00 per week: R3 000.".

6. CLAUSE 16: CONTRIBUTIONS
Substitute the following for subclause (1):
"(1) Provided that no deduction shall be made from the wages of a member who has worked less than 24 hours in the week in which the deductions fall due, every employer shall on the first pay-day after the date upon which this Agreement comes into operation and thereafter on every pay-day deduct from the wage of each and every member in his employ contributions at the following rates:
  All employees earning the prescribed scale for Grade II–VIII employees: Minimum contribution R6,50 per week.
  All employees earning the same or more that the minimum prescribed wage for Grade I employees: Minimum contribution R12 per week.".
This agreement signed at Krynos on behalf of the parties this 6th day of November 1991.

L. F. FECHTER,
Chairman.

S. LE ROUX,
Vice-Chairman.

M. LOYSON,
Secretary.

No. R. 2936 23 October 1992
UNEMPLOYMENT INSURANCE ACT, 1966
AMENDMENT OF REGULATIONS
The Minister of Manpower has, under section 62 of the Unemployment Insurance Act, 1966 (Act No. 30 of 1966), made the regulations set out in the Schedule hereto.

SCHEDULE

Definition

4. ALGEMENE BEPALINGS
Die bepalings soos vervat in klusules 3 tot 27 van die Vorige Ooreenkomse soos verder verlang, hernieu, gewysig of herbekragig van byd tot byd, is van toepassing op sowel werk- gewers as werknemers.

5. KLOUSULE 12: BYSTAND
Vervang subklusule (1) (i) deur die volgende:
"(i) Die totale bedrag wat in 'n bepaalde jaar se lidmaatskap aan bystand aan 'n lid en sy afhankliks betaal is, mag hoogstens die volgende wees:
  * In die geval van 'n lid wat 'n minimum van R8,50 per week bydra: R2 000.
  * In die geval van 'n lid wat 'n minimum van R12,00 per week bydra: R3 000.".

6. KLOUSULE 16: BYDRAES
Vervang subklusule (1) deur die volgende:
"(1) Mits geen bedrag afgetrek word nie van die loon van 'n lid wat minder as 24 uur gewerk het in die week waarin die bydraes verskuldig word, moet elke werk- gewer op die eerste betaaldag na die datum waarop hierdie Ooreenkom in werking tree en daarna op elke betaaldag, van die loon van elke lid in sy diens bydraas teen die volgende tariewe aftrek:
  Alle werknemers wat die voorgeskryde skaai vir Graad II–VIII werknemers verdien: Minimum bydrae R6,50 per week.
  Alle werknemers wat dieselfde of meer as die mini- mum voorgeskrye loon vir Graad I werknemers ver- dien: Minimum bydrae van R12 per week.".
Hierdie ooreenkom is names die partye op hede die 6de dag van November 1991, te Krynos onderteken.

L. F. FECHTER,
Voorsitter.

S. LE ROUX,
Ondervoorsitter.

M. LOYSON,
Sekretaris.

No. R. 2936 23 Oktober 1992
WERKLOOSHEIDVERSEKERINGSWET, 1966
WYSIGING VAN REGULASIES
Die Minister van Mannekrag het kragtens artikel 62 van die Werkloosheidversekeringswet, 1966 (Wet No. 30 van 1966), die regulasies in die Bylae hierby, uitge- vaardig.

BYLAE
Woordomskrywing
Amendment of regulation 4 of the Regulations

2. Regulation 4 of the Regulations is hereby amended—

(a) by the substitution for subregulation (1) of the following subregulation:

"(1) A member of the board or of a committee, other than a member who is an officer, shall be paid a remuneration or allowance of, in the case of a board member, R38,00 per hour with a maximum of R297,00 per day and, in the case of a committee member, R32,00 per hour with a maximum of R254,00 per day, in respect of every hour during which such member attends or travels to or from a meeting of the board or of a committee, as the case may be".

Commencement

3. The amendment of regulation 4 (1) of the Regulations shall be deemed to have come into operation on 1 August 1992.

No. R. 2949

23 October 1992

WAGE ACT, 1957

AMENDMENT OF WAGE DETERMINATION 463: MEAT, COLD STORAGE, BACON CURING AND SMALL GOODS INDUSTRY, CERTAIN AREAS

I, Glen Morris Edwin Carelse, Deputy Minister of Manpower, hereby, in terms of section 15 (6) of the Wage Act, 1957, amend Wage Determination 463: Meat, Cold Storage, Bacon Curing and Small Goods Industry, Certain Areas, published under Government Notice R. 735 of 8 September 1989, in accordance with the Schedule hereto and fix the third Monday after the date of publication of this notice as the date from which the said amendment shall be binding.

G. M. E. CARELSE,
Deputy Minister of Manpower.

Wysiging van regulasie 4 van die Regulasies

2. Regulasie 4 van die Regulasies word hierby gewysig—

(a) deur subregulasie (1) deur die volgende subregulasie te vervang:

"(1) ’n Lid van die raad of van ’n komitee, uitgesonderd ’n lid wat ’n beaampte is, word ’n toelaes of besoldiging betaal van, in die geval van ’n raadslid, R38,00 per uur met ’n maksimum van R297,00 per dag en, in die geval van ’n komiteelid, R32,00 per uur met ’n maksimum van R254,00 per dag, ten opsigte van elke uur waardydens so ’n lid ’n vergadering van die raad of van ’n komitee, na gelang van die geval, byvoorbeeld of daarheen of daarvandaan reis".

Inwerkingtreding

3. Die wysiging van regulasie 4 (1) van die Regulasies word geaag op 1 Augustus 1992 in werking te gee.

No. R. 2949

23 Oktober 1992

LOONWET, 1957

WYSIGING VAN LOONVASTSTELLING 463: VLEIS-, KOELKAMER-, SPEKBEREIDING- EN KLEINGEDELENWERK, SEKERE GEBIEDE


G. M. E. CARELSE,
Adjunkminister van Mannekrag.
PRETORIA — The Unemployment Insurance Fund has so far taken the enormous financial strain of rising unemployment without being compelled to draw on the fund's R1,2bn capital reserves.

Unemployment insurance commissioner Jack Scheepers said yesterday that on average the commissioner's office received 70,000 applications a month for benefits in the first nine months of the year, against about 62,000 last year. At present the fund's income from employee and employer contributions and interest on investments amounted to about R125m a month.

Investment interest had to be used for the first time in years to supplement subscription income. A year ago income was roughly the same at R125m, but benefit payouts were significantly lower at between R65m and R90m.

Scheepers said it was unlikely it would be necessary to draw on capital in the next few months, but if unemployment continued to increase the situation would be reviewed.

Up to end-September this year 2.1 million separate payments had been made to a monthly average of 210,000 beneficiaries, against 1.7-million payments to about 170,000 beneficiaries last year. Total benefits amounted to R1,18bn, compared with R907m in January-September last year.

Scheepers said the increasing number of beneficiaries and applicants had placed an enormous load on the commissioner's staff.
Back-up for the jobless

By Ike Motsapi and Isaac Moledi

HAVE you been retrenched or dismissed lately?
If so, do you know your rights and how to claim for your benefits under the Unemployment Insurance Fund?

This is what you have to do:
The UIF was established by the Unemployment Insurance Act Number 30 of 1966. It came into effect in 1967.
The scheme was started because of the high unemployment rate.

Unemployment always poses a serious problem for the stability of the country.
This scheme helps thousands of unemployed people in the country.

However, it must be noted that the UIF is not a savings or pension fund scheme, but merely a form of insurance against temporary unemployment.
The UIF was formed to help workers for the following reasons:
- Insurance against temporary loss of employment.
- Maternity benefits.
- Adoption of children.
- Illness and death benefits for the direct dependants of a member.

It must be noted that "benefits" are directly related to the existence of an employee's past earnings and the level thereof.
Initially only employees earning less than R38 532 a year could become members of the UIF scheme.

Government Gazette No R2099, which came into effect on September 29 1989, fixed the maximum rate of earnings which qualifies a person as a "contributor" at R38 532 a year.
The UIF provides that qualifying contributors with 45 percent of their average earnings calculated over the last 13 weeks of employment.

It provides one week's benefit for every six weeks as a contributor; but it is limited to 26 weeks (52 months). Thereafter, contributors may sometimes apply for supplementary benefits.

WHERE TO CLAIM UIF BENEFITS.
There are many offices of the Department of Manpower where UIF claims can be made. Most towns have an office of the Department of Manpower.

The do's and don'ts in jobless situations:

One can also lodge a claim at the local Commissioner's office, or even at the Labour Bureau.

People living in "self-governing" or nominally independent "states" (Lebowa, KwaZulu, KaNgwane), where there are no Manpower offices, can apply for UIF benefits at the local magistrate's office.

WHO QUALIFIES FOR UIF BENEFITS?
To qualify for UIF benefits, you must have been a contributor to the Fund for at least 13 weeks.

A contributor means a person who has entered into an employment or apprenticeship contract with an employer. He/she must earn not more than R38 532 a year or R3 200 a month.

Certain categories of workers are excluded. Domestic workers in private households, farmworkers (excluding forestry workers), seasonal workers, migrant or foreign workers, casual workers, and civil servants or State employees are not entitled to UIF benefits.
The contribution of the workers which is deducted weekly or monthly from their earnings must, together with the contribution of the employer be paid over to the Fund before the 10th day of each month.

If a worker is aware that his/her employer is not registered with the fund, and that his/her contribution is not paid to the Fund, he/she must report this to the nearest office of the Department of Manpower.

HOW TO CLAIM UIF BENEFITS.
The usual procedure is that a Fund member or contributor must lodge his/her application with the local offices of the Department of Manpower. He/she must do this as soon as possible after becoming unemployed.

When you lose your job, always obtain your Blue Card, that is, your UIF Card. The Blue Card is filled in by your employer when you start your employment. When you are discharged your employer must fill in all your necessary details.

Your card must show the following:
- Your name and address;
- Your identity and your job number;
- The date on which you started working for him/her; and
- Your wages and the deductions made.
UIF overhaul not enough — probe

THE Mouton committee has called for an urgent overhaul of the Unemployment Insurance Fund (UIF), saying that recent efforts to improve efficiency are not enough.

But the UIF has disagreed, saying it is productive and effective in dealing with unemployment benefits.

The Mouton report, released this week, said further improvements were urgently required to improve perceptions of the UIF and to “cater adequately for unemployment.”

However, Manpower Department spokesman Johah Smit responded yesterday to the Mouton criticism by saying the department did not agree with the report. “We are uncertain as to what surveys the Mouton committee conducted to determine the perceptions of the people.”

He said the Unemployment Insurance Board, which comprised employer organisations and trade unions, would have informed the Minister of Manpower if negative perceptions existed. The board was the Minister’s advisory body on the UIF.

He said the UIF asked the National Productivity Institute (NPI) last year to investigate the administration of the fund.

The NPI report found the fund was productive and effective. Smit added that the NPI had made certain recommendations on computerisation and handling of claims.

“Through its own efforts, the UIF has succeeded in paying out benefits within four weeks of an application being lodged. A year or so ago, it was about eight weeks,” Smit said.

The Mouton report, however, said this goal was not yet being attained, as 46% of the more than 70,000 applications received monthly could not be paid within four weeks. This was largely the result of employers not complying with the UIF Act.

“More employers will be prosecuted in the near future for failure to comply with the requirements of this Act,” the report said.

It noted the UIF had been adversely affected by public service staff cutbacks. “This restraint was inappropriately applied to the UIF, which was experiencing substantial growth in work load. The Committee was pleased to learn the Minister of Manpower recently approved the appointment of additional staff.”

Smit said the number of applications received during the year to October was almost 725,000, an increase of almost 13% from 1991.
Big UIF scam uncovered

By Ike Motsapi

A scam involving fraudulent Unemployment Insurance Fund claims amounting to thousands of rands has been uncovered.

An investigation by Sowetan has revealed that scores of unemployed workers have lost thousands of rands as a result of the operation, masterminded by employees of the Department of Manpower and their associates.

The Department of Manpower yesterday confirmed in a statement that it was aware of incidents involving fraudulent UIF claims.

The department, however, was not aware of the existence of “such syndicates” and appealed to the public to give information about the scam to the police.

The department said 124 cases were presently under investigation. Of these, 24 had been handed over to the police for prosecution.

Mr. Cornelie Barnard, public relations officer for the department, said the 24 cases, which related to fraud involving R76 000, were from the Johannesburg area. Witwatersrand police spokesman Warrant-Officer Andy Piekke said he could not say how many people were involved because the case was still under investigation.

A Sowetan source said the syndicate had been operating for a long time, resulting in thousands of people “losing out” when they went to make their claims.

The source said: “What happens is that fictitious blue cards are issued by the syndicate from within the department to associates outside the department.

“These people then come to make claims at the offices of the Department of Manpower for unemployment benefits.

“The sad thing is that when people rightly come to make claims after losing their jobs, they are told that they are not entitled to benefits because their funds have dried up.”

Barnard said: “The department will not hesitate to act against persons, committing such offences.

“All employers are requested to ensure that blue cards are dealt with and stored correctly or locked away out of reach of unauthorised persons,” she added.”
SOCIAL SECURITY - UNEMPLOYMENT INSURANCE

1993
UIF shock in store for some employees

By Meg Wilson
Finance Staff

January is increase time for many employees, but quite a number may find that their pay slip is not all good news this month.

Apart from the additional increase in employee tax which usually goes with a salary increase, employees could also suddenly be faced with an Unemployment Insurance Fund (UIF) contribution of around R68 a month.

**Maximum rate**

The reason is that the Unemployment Insurance Act has been amended to raise the maximum rate of earnings at which it is compulsory to contribute to the fund.

Last year, the maximum gross salary was R4 200 a month, at which rate the monthly contribution from the employee would have been R28.78 (or 0.9 percent of gross), which was matched by the employer.

From January 1, the new maximum gross is R4 849 a month (or R1 119 a week), and the UIF contribution payable on that scale works out to R43.64 a month.

Leaving aside variable pension fund deductions and medical aid contributions, the UIF contribution, added to employee tax at the ceiling level, will now result in a total for the unmarried taxpayer of R1 380.97 instead of R1 337.33.

For a married man with two children the total will now be R1 198.54 (R1 692.90).

For a married woman the total is R1 409.47 (R1 386.83).

Raising the earnings ceiling is likely to put a lot more people within the UIF contributions net than before.

This will particularly be the case in those companies where increases have been held down this year as a result of the recession.

For example, if you were earning R4 421 a month last year, you would not have contributed to the UIF.

But if your increase is below 10 percent (or 9.7 percent, to be exact) you will now have to contribute.

For those employees who were already in the UIF net, the raised ceiling will mean an increased contribution along with their salary increase, unless their gross is now more than R4 849 a month.

Last year, more than 6 million employees and their employers contributed 1.9 percent of their gross wages or salaries to the UIF.

The fund also earned interest on its investments, and collected a total of some R120 million a month.

However, by the last quarter of 1992, unemployment had risen so rapidly that payouts were costing all of this, compared with an average R85 million to R100 million a month in 1991.

A continuing rise in the number of jobless persons this year would have meant that the fund had to dip into its reserve, which has so far remained untouched.

The answer, then, was to increase the amount of income which is generated by contributions.

**Bigger payouts**

However, the solution may be only a short-term one, since increasing the size of the net also means increasing the potential number of beneficiaries — and raising the ceiling also means bigger individual payouts.

These are calculated on the basis of 49 percent of salary, for six months, at the time the beneficiary last contributed to the UIF.

The fund is also likely to face an increasing drain on its resources in the event of continued drought, especially after September, when the registration of an estimated 1.2 million farmworkers now eligible to join the fund is completed.
FW pledges action on corruption

CAPE TOWN — President F.W. de Klerk yesterday reaffirmed his commitment to clean government — even as more details of fraud and maladministration were disclosed in Parliament.

The report of the joint committee on public accounts highlighted apparently illegal civil co-operative Bureau activities and fraud involving the Unemployment Insurance Fund. It was tabled a day after the auditor-general’s report, which listed losses of millions of rand in the homelands.

De Klerk, speaking after a meeting with Foreign Secretary Lydena Chalker, said legal action would be taken against wrongdoers if, after investigation, it was found that charges could not be brought, "other steps" would be taken.

He said simultaneous disclosures of corruption at more than one department were "disconcerting", but the way government was handling the issue should instil confidence in the international community.

It showed government was not running away from the issue, but was prepared to take effective action to rectify the situation.

Chalker commented: "Any government must deal with corruption when it occurs. There is so much to be done and there are too many good people, like President de Klerk, who are working to get it right."

"I do not believe South Africa will be seen in a negative light for those reasons. The main task now is in peaceful transition and to make sure any assistance received is spent on that for which it is given."

The report of the joint committee on public accounts, which scrutinises public spending, focused on CCB secret projects in which about R3m was at issue. It covered:

- The R3m involved in Project Sambousa, in which CCB members were paid per diems shortly before the secret project was closed down. This had been recovered.
- Project Golden, where expenditure was directed inland and was therefore prima facie unauthorised. As this was the subject of a police investigation the committee refrained from making a recommendation.
- The 10 remaining projects of the CCB "Region 5". There was insufficient information on the expenditure and the committee was therefore obliged to regard the R277,000 involved as unauthorised.

The committee noted that "progress in this matter has been hampered by the fact that court cases have delayed the release of information."

- The remainder of the CCB operations involved R10m. The committee noted that R1m had been traced to the mining firm, and the remainder was unaccounted for.

The committee also detailed the loss of R3m by the Foreign Affairs Department. The money was paid, to and stolen by a Nigerian businessman after an abortive attempt to set up a chain of pro-SA magazines in West Africa.

Corruption

The committee also expressed concern at the extent of fraud involving UIF benefits, noting that 327 benefit cheques valued at R3m had been intercepted and unlawfully cashed.

Meanwhile, the ANC said Monday’s disclosure in the auditor-general’s report should come as no surprise.

Sapa reports the ANC said the disclosure was largely expressed in the golden handshake preferred to all who collaborated with or ensured the implementation of apartheid policies.

"Homelands were never economically viable and were established to further a narrow, ethnic agenda. The enormous expenditure incurred to establish and maintain Bantustans is a result of grand apartheid designs."

It added: "But what occurs in Bantustans merely mirrors what takes place at a central government level. At no level of government is there planning. The economy is run on an ad-hoc basis and the disastrous consequences are there for all to see."

Bophuthatswana’s Finance Minister Martin van den Berg took issue with the report, saying the claims that all four TBVC states were unable to repay their debt did not apply to Bophuthatswana.
Bid to curb R2m UIF cheque fraud

The Joint Committee on Public Accounts has expressed concern over the extent of fraud involving Unemployment Insurance Fund benefits.

The committee said the Auditor-General's 1989/90 report had stated that 3 257 benefit cheques to the value of R2 695 005 had been intercepted and unlawfully cashed.

It recommended an investigation by the UIF's accounting officer, in consultation with the Department of State Expenditure and the Reserve Bank.

In its reply, the Department of State Expenditure said a committee investigating UIF fraud had resumed its operations in 1990.

Personnel had been trained to deal with fraud, special computer programmes had been installed and notices warning against fraud were displayed at UIF offices.

Beneficiaries were encouraged to collect their cheques personally instead of having them posted.
Concern over UIF fraud

CAPE TOWN — The Joint Committee on Public Accounts has expressed concern at the extent of fraud involving Unemployment Insurance Fund benefits.

The committee said the Auditor-General's 1989/90 report had stated that 3257 benefit cheques to the value of R2,699,000 had been intercepted and unlawfully cashed.

It recommended an investigation by the UIF's accounting officer, in consultation with the Department of State Expenditure and the Reserve Bank.

In its reply, the Department of State Expenditure said a committee investigating UIF fraud had resumed its operations in 1990.

— Sapa.
UIF ‘may become bankrupt’

By BARRY STREEK
Political Staff

ANOTHER government-controlled body, the Unemployment Insurance Fund, was facing bankruptcy, the Democratic Party said yesterday.

The DP’s manpower spokesman, Mr Robin Carlisle, said it was quite clear that UIF could not continue paying out at the same level as it had been over the past year.

Its payments had increased from R853 million to R1,237m and the number of people receiving benefits had increased from 438,000 to 667,064 between 1991 and 1992.

"It is quite clear that the fund cannot possibly survive at this level of payments," Mr Carlisle said.

This was largely due to the economic situation in South Africa, but UIF’s prospects were alarming.

He said this after the Minister of Manpower, Mr Leon Wessels, revealed that the balance of the UIF was R1,2 billion at the end of 1991 but it had also paid out R1,2 billion in benefits in the same year.
Slump causes first UIF deficit

By BARRY STREEK
Political Staff

THE Unemployment Insurance Fund (UIF) ran at a R211 million deficit for the first time last year — but actuaries had found that its finances were in a “sound state” for the immediate future.

The fund’s expenditure last year totalled R1 674m and its income R1 464m. Its deficit was paid out of its reserves which dropped below R1 000m for the first time in three years to R918m.

The UIF’s 1992 report, which was tabled in Parliament yesterday, said its expenditure last year increased by 24.6%, but its income only went up by 4.5%.

New claims for benefits increased to an average of 72 000 per month in 1992, compared with an average of 62 000 per month in 1981 and R329.9m more was paid out in benefits than was the case in 1991.

During 1992, 701 266 applications for unemployment benefits had been received compared with 689 261 the previous year and a total of R1.2 bn was paid out. This increase was mainly due to the constantly deteriorating economy and the resultant increase in unemployment.

“Increased obligations”

Last year’s deficit amounted to R210 994 588.

“In consultation with the actuaries it was calculated that the fund needs reserves of at least R1 000m to ensure that the increasing financial obligations for the next two to three years can be met,” the report said.

Despite UIF’s stated confidence, its reserves dropped for the first time by 17.6%.

UIF said 665 994 applications for assistance were approved last year, an increase of 119 633 over the 1991 figure, and the total amount of benefits was R1 214 628 720, an increase of R386 385 068.

Inspectors carried out 39 367 visits to employers during 1992 and collected R9.5 million during these visits.

The report stated that the number of approved claims rose from 202 623, involving about R120m, in 1992 to 706 994 claims amounting to about R1.5bn last year. The number of registered employers increased from 120 210 to 178 230, while the number of contributors increased from 4.1m to 6.3m.
CAPE TOWN — The Unemployment Insurance Fund (UIF) ran at a R31m deficit for the first time last year — but actuaries found that its finances were in a "sound state" for the immediate future.

The fund's expenditure was R1,074bn and its income R1,464bn. Its deficit was paid out of reserves which dropped below R1bn for the first time in three years to R918m.

The UIF's 1992-93 report, tabled in Parliament yesterday, said its expenditure last year increased by 24%, but its income went up only 4.5%.

New claims for benefits increased to an average of 72,000 a month in 1992, compared with an average of 62,000 in 1991. R362.4m more than in 1991 was paid out in benefits.

The UIF said the increase in administrative expenses were within limits and could be attributed to an increase in postal, telegraph and telephone services, the maintenance of the fund's properties, the high inflation rate and the increase in civil service salaries. Administrative costs, including depreciation and bad debts, were R70.8m compared with R67.3m in 1991.

"The UIF had surpluses of R973m in 1991, R239m in 1990, R242m in 1989 and R37m in 1991. "Despite the deficit shown in 1992, the fund's finances are, according to the actuaries, in a sound state for the immediate future. Various actuarial reports were obtained during 1992 regarding the financial prospects of the fund, and from these reports it appears that there is little reason for concern."

Despite the UIF's confidence, reserves dropped for the first time by 17.6% and a similar decline during 1993 would see them decline even further to about R755m, well below its 1989 reserves of R800m.
Recession pushes UIF into the red

CAPE TOWN — Rising unemployment and a record number of claims from the jobless has pushed the Unemployment Insurance Fund into the red.

The UIF — which paid out more than R1.2 billion last year — ended the year with a R210 million deficit, according to the fund’s annual report tabled in Parliament yesterday.

However, with reserves totalling R619.6 million, the report says the fund is “in a reasonably stable financial position... for the immediate future”.

Benefits claims last year rose to 701,266, against the 599,361 received in 1991.

This is attributed to the “constantly deteriorating economy”, according to the report.

It notes: “Despite the deficit, the fund’s finances are, according to its actuaries, in a sound state for the immediate future.”

“Various actuarial reports were obtained during 1992 and, from these reports, it appears there is little reason for concern.”

Actuaries advised the fund that it needed reserves of at least R1 billion to meet growing obligations over the next two or three years.

“Giving rise to increasing problems is the great number of employers who either neglect to register with the fund or do not remit their monthly contributions promptly,” says the report.

“As many as 30,000 employers fail to pay their monthly contributions promptly.”
Ailing UIF set to get new HQ

By Meg Wilson Property Editor

The Unemployment Insurance Fund (UIF), which now has reserves to last only about 18 months, is getting a R40 million new head office in Pretoria. Located in Bosman Street and due for completion next year, the building will provide some 12 000 sq m of office space and house 500 staff, and the UIF's mainframe computer.

Meanwhile, increasing unemployment continues to put the fund under pressure. During the first quarter of this year, its reserves fell to R218 million, the first time they had gone below the R1 billion which actuaries had recommended it hold to meet growing obligations.

Currently the reserves stand at about R800 million, which UIF commissioner Koos van der Merwe says the actuaries have calculated is sufficient to meet its commitments for "at least 18 months".

Last year, more than 6 million employees and their employers contributed 1.8 percent of their gross salaries or wages to the UIF. The fund also earns interest on its investments, and last year collected around R125 million a month. However, by the last quarter of 1992, payouts were swallowing all of this, compared to an average R95 million to R100 million a month in 1991.

The number of payouts last month rose to 233 000 (211 000 in May 1992) and the amount paid out increased to some R182.3 million (R112.8 million).
Rising unemployment "strains fund's resources"

PRETORIA — Increasing unemployment and the consequent unprecedented payout volumes from the Unemployment Insurance Fund (UIF) has placed an enormous strain on the fund's resources.

It is understood that, at a meeting of the UIF Board last week, recommendations to bolster its finances and slow the drain were made to Manpower Minister Leon Wessels.

Sources said the fund was draining away at a rate of about R45m a month.

In May, payouts totalled R165m from R119m in the same month last year, while income declined to R100m from R112m.

At this time last year, the fund's resources amounted to just over R1bn. Since the beginning of the year, this had been reduced by more than R200m.

The sources said the options available to strengthen the fund included raising worker and employer subscriptions, currently 0.9% of a worker's earnings, and scaling down benefits.

Other options included raising the threshold at which payments were compulsory to above the current income level of R5 000 and greater government support.

Currently, 6.8-million employees and 180 000 employers subscribe.

The number of applications for benefits in May totalled 71 000, up 6 000 from last May, while the number of beneficiaries totalled 233 000 (210 000).

Subscription income now failed to cover payouts.

Week's toll in SA is 67 lives

POLITICAL violence nationwide claimed 67 lives and left 29 people injured in the week ending Tuesday, the Human Rights Commission said in its weekly report released yesterday.

The death toll was lower than the previous week's, when 78 deaths and 55 injuries were reported.

Most of the past week's violence occurred in the PWV region, with 29 deaths, and included massacres in Soweto, where 12 people were killed, and in Evaton, where six people were shot dead.

Violence-related deaths in Natal were down to 26 from the previous week's 46. The report said the focus of violence had shifted from the Midlands to the south coast, and 13 people were killed at Munchson on June 20.

Eight people died in the western Cape, one was killed in the Eastern Cape, and two people died in an attack at Khutsong in the western Transvaal.

Two members of the SAP were killed during the period, the report said. A member of the crime intelligence service was shot dead in Katlehong, and another policeman died in Crossroads.

Inkatha complains about SADF

DURBAN — The Inkatha Freedom Party has called on the Goldstone commission to investigate alleged assaults by security force members of its supporters at Mphumzi, in the Umbumbulu district outside Durban.

Inkatha said yesterday it had received widespread complaints of assaults and harassment — allegedly by SADF soldiers carrying out weapons searches — from residents in Mphumzi.

The Natal KwaZulu regional discussion committee said it would look into the allegations immediately.

A Goldstone commission spokesman said he had not received an official complaint by Inkatha or a request for the assaults to be investigated by yesterday afternoon.

A Durban SADF liaison officer said she had become aware of the complaints only yesterday and would respond later. — Sapa.

Population predictions

PRETORIA — SA's population would increase by more than 40% within 20 years, Unisa's Bureau of Market Research has predicted.

In a report released yesterday, it was estimated that the total population of SA, including the TBVC states, would rise from 38-million currently to more than 54-million by 2011.

The growth would have a major impact on the composition of the population and could signal an appreciable improvement in black living standards, the report said.

While the proportion of the economically active population (between 15 and 64 years) was expected to expand considerably, the number of dependents would drop.

In 1991 there were 30 economically dependent blacks for every 100 economically active. This figure would fall to 26 dependents per 100 by 2011.

"Provided the jobs are available, this decline in the dependency ratio will bring about an appreciable improvement in black living standards," the report said.

All population groups would experience a decline in fertility and mortality and would age accordingly.

Up to 99% of the population increase would occur in the black sector, with annual increases in the total population peaking in 1998-2001 before beginning to taper off.

In all population groups, the growth rate would decelerate over the 20-year period, the report said.
Fund helps if you are retrenched

CONTRIBUTIONS to the Unemployment Insurance Fund bear fruit in times of need. However, to qualify for benefits certain conditions must be met — and this includes exhibiting a willingness to work, writes LEIGH ROBERTS.

The employee's monthly contributions to the Unemployment Insurance Fund (UIF) bear fruit if he is retrenched. However, certain conditions must be met before the fund will pay out.

To qualify, the contributor must have been employed and contributed to the fund for at least 13 weeks during the year immediately preceding the date of his application for a payout.

Provided he contributed to the fund for at least 13 weeks, he may make a claim against it up to eight and a half months after leaving his job.

Not all employees are obliged to contribute to the fund. Excluded are public servants, domestic and farm workers and those who earn more than R46 332 a year.

A prerequisite of a payout is that the unemployed contributor be capable and willing to work, and indeed be seeking work. The fund is an insurance fund covering temporary unemployment and not a social service fund.

Payouts limited

The unemployed contributor must obtain a UIF card (blue card) from his former employer. While application for fund benefits can be made without this card, benefits will be paid only on presentation of the card. If the employer does not issue the card speedily, the contributor can report the matter to the Department of Manpower.

The amount of the fund's payout equals 45 percent of your last month's salary. However, the length of time you may receive this benefit is determined by the period during which you made contributions and limited to a maximum of six months.

The contributor is entitled to one week's benefits for every six weeks he contributed to the fund. In other words, if you contributed for less than three years, your payout period is less than six months.

If the contributor has benefited weeks to his credit the six-month period may, on application to the fund, be extended.

Payouts are made on
UIF bolstered by contributions increase

PRETORIA — The ailing Unemployment Insurance Fund was bolstered by an announcement yesterday that contributions by employers and employees would be increased to 1% of earnings from October 1.

The increase, from 0.5%, was necessary because of the "prevailing poor economic situation" and the pressure put on the fund by the high unemployment rate, said Manpower Minister Leon Wessels.

The fund registered its first deficit last year, causing a R111m fall in reserves to about R890m.

Sources said the fund was draining away at a rate of about R6m a month and without an increase in contributions would last only another 18 months.

The rise in contributions, approved by Cabinet, was an interim measure. Additional increases were possible next year on the Manpower Department’s recommendation. Measures to limit expenditure, including payments to TBVC states, would be implemented, Wessels said.

Wessels announced that a team from the departments of Manpower, State Expenditure and Finance, as well as the Commission for Administration, would investigate the state’s contribution to the fund.

The deadline for employers in the agricultural sector to register with the fund was extended to November 30.
Embattled UIF to get 0.1% boost

BY PAUL BELL

Contributions to the Unemployment Insurance Fund (UIF) are to rise 0.1 percent to 1 percent from October 1 to relieve financial pressure.

Announcing this yesterday, Minister of Manpower Leon Wessels said the increase — which he described as an interim measure — had been recommended by the UIF board, which includes employer and trade union representatives.

Actuaries had been consulted, and the recommendation had been approved by the Cabinet.

Cosatu, which has so far refused to sit on the UIF board, had been informally advised of the measure, said manpower director-general Joel Fourie. Wessels said a task force drawn from the departments of Manpower, State Expenditure and Finance, as well as the Commission for Administration, had been assembled to investigate the State’s contribution to the UIF.

Manpower had been given the task of monitoring the situation, and if the negative trend continued, further corrective steps would be recommended to the Cabinet.

The South African Agricultural Union has asked the Department of Manpower to extend for a further nine months the period of grace allowed to farmers to register their workers.

While the department is considering this, an extension will be granted to November 30.
Hike in payments to UIF

Own Correspondent
PRETORIA. — Manpower Minister
Mr Leon Wessels moved to bolster
the ailing Unemployment Insurance
Fund yesterday by announcing that
contributions by employers and em-
ployees would be increased from Oc-
tober 1.

The increase, from 0.5% to one per-
cent of employee earnings, had been
necessary due to the "prevailing poor
economic situation" and the pres-
sure of high unemployment, he said.
The fund registered its first deficit
last year causing a R211 million fall
in reserves from more than R1 bil-
lion to about R800m. Sources said the
fund was continuing to drain away at
a rate of about R45m per month.
The rise in contributions, approved
by the cabinet this week, was an in-
term measure and additional in-
creases were possible next year.
The minister of manpower this week announced employee and employer contributions to the Unemployment Insurance Fund will be increased from 0.9 percent to one percent of salary from October 1.

Unemployment in South Africa is running at 48 percent of the economically active population and this is placing pressure on the fund.
UIF period of grace extended

PRETORIA — The nine-month period of grace allowed for employers in the agricultural sector to register with the Unemployment Insurance Fund has been extended by two months until November 30, (© 291)

In a notice in Friday's Government Gazette, Manpower Minister Mr Leon Wessels said interested parties were invited to make written submissions on the matter to the director-general of manpower before Octo-

ber 16, 073.
The unemployment insurance Fund’s (UIF) reserves have dropped further below the minimum level the fund has said is required to meet its rising obligations.

Fund figures put current reserves at R168m, against R217m, at the end of last year, compared to the R180m reserve level the UIF said was needed to meet its increasing financial obligations in 1994/95.

The UIF is currently paying R180m a month in unemployment, illness and other benefits to about 250,000 people, compared with R135m a month to 220,000 beneficiaries in 1990.

Over the past few years the UIF experienced great financial demands because of increasing unemployment, a spokesman said. However, certain remedial measures had been taken.

Last week the fund announced it was increasing contribution rates by 11.1%, for employers and employees from October 1 as a temporary measure. The total contribution of employers and individuals will be 2% of the contributors’ earnings, up from 1.5% previously, until October 1996.

Other steps included curtailing expenditures and appointing an interdepartmental task group to investigate a larger government contribution, which is now pegged at R7m a year.

The fund has also announced a temporary halt in payments for a period beyond the prescribed 26 weeks over 12 consecutive weeks.

A joint working group of the Unemployment Insurance Board and the National Economic Forum is considering extending benefits to workers laid off temporarily.

And the Manpower Department has just received a report on possible ways to include domestic workers in the fund.
Rightists violated Call to punish Uita closes in Yasuda dead in Yamashita

Oslo: President P.W. de Klerk
More paid out in UIF: R200m

PRETORIA — The amount paid out in unemployment insurance each month is approaching R200 million. The Department of Manpower said R185m had been paid out in July this year, compared with R151m last July. The number of people drawing benefits rose by 16,000 to 266,000. — Sapa
Dump site curbs possible

Staff Reporter

THE access of squatters to the Vissershok dump site may be curtailed after more than 100 Khayelitsha pupils were apparently poisoned after eating sweets found at the site.

A spokesman for the site owner, Waste-Tech, said the agreement with the squatters granting them access to the site was under review and controls might be tightened.

"In the agreement only 50 people a day are allowed on site to take only paper and plastic," he said.

The pupils fell ill on Thursday after eating the sweets scavenged by hawkers on the site.

The results of laboratory tests being conducted on the sweets should be available early this week.
Farmers win UIF delay

ADRIAN HADLAND

PRETORIA — Farmers would have to register with the Unemployment Insurance Fund (UIF) only by April next year, the SA Agricultural Union said yesterday.

A union spokesman said Manpower Minister Leon Wessels had agreed to the postponement after a appeal from the agricultural sector. B/DAY

"Farmers could now register any time before March 31 this year but would not have to pay their premiums before April. Farmers could also opt to pay their premiums on a quarterly rather than a monthly basis. B/LIF $B

"The union had insisted on the postponement as a result of pressure on the UIF as well as the recent tariff increase from 0.9% to 1%," the spokesman said.

Farm workers had not benefited from the fund, while no large-scale retrenchments had been experienced in the sector, B/LIF "$B

Sapa reports the union was investigating the feasibility of setting up a private security fund separate from UIF. This fund could also be used to pay out pension and funeral benefits, the union spokesman said."
Think for yourself.

Rote-learning SA’s downfall

Generations of South Africans have been educated via the “by heart” method — and if that doesn’t change so that students understand rather than simply absorb knowledge parrot-fashion, the country could be headed for a major decline.

DI CAELERS
Weekend Argus Reporter

SOUTH Africa is slipping fast in international competitiveness — and will slide out of the picture unless drastic changes are made in its education system.

This warning comes from experts in the field of cognitive education — a relatively new concept here — who are not simply talking about redressing educational inequality, but of a vital switch from “by-heart” teaching styles to much more understanding and analysis on the part of pupils and students.

They were reacting to news earlier this month that South Africa had slipped from eighth to 11th place in 1993 in a 15-state comparison of emerging industrial nations — being pipped at the post by Chile, Hong Kong and Singapore, among others — in the latest World Competitiveness report.

South Africa appeared at or near the bottom of the list in the categories of people, government, worker motivation and education. Commentators said people responsible for productivity were the country’s greatest asset and that South Africa would remain at the bottom of the international competitiveness scale until there was an improvement in literacy and education, and a stable government.

“...The only way South Africa will become a winning nation is if we do something about educating our people and developing our human resources,” said Anita Worrall, a representative of the newly-formed International Association for Cognitive Education in South Africa.

...The ability to think for yourself, according to Dr Worrall, was not taught at all in South African schools where, instead of being taught thinking skills, the art of comparison, solving problems and analytical perception, pupils were simply expected to regurgitate information.

Farmers in workers’ fund row

SHARON SCROUR
Labour Reporter

DISGRUNTLED farmers, who were threatening to boycott obligatory payments of Unemployment Insurance Fund premiums, have obtained permission from the Manpower Ministry to postpone registering with the fund until April.

Compulsory registration was postponed to April 1 after the SA Agricultural Union (SAAU), met Manpower Minister Leon Wessels, the union said.

This follows a row between farmers and UIF commissioner Koos van der Merwe after the Transvaal Agricultural Union (TAU), an SAAU affiliate, decided it was “irresponsible” to advise its members to contribute to the fund.

Mr Van der Merwe asked farmers to comply with their obligations to protect their workers. He said the decision of the TAU’s general council was “in conflict with agreements from organised agriculture”.

SOCIAL SECURITY - Unemployment Insurance

1994 - 1997
JOHANNESBURG. —

The maximum level of earnings for contribution to the Unemployment Insurance Fund is to increase from April 1. It was reported yesterday.

Minister of Manpower Mr. Leon Wessels said the level would increase from R36 188 to R33 648 a year.

The risk of unemployment increased in an economic slump, hitting even higher-paid workers, he said. — Sapa
Employers ignore UIF duty

KATHRYN STRACHAN

UNFOUNDED rumours on the financial position of the Unemployment Insurance Fund had prompted many employers in the agricultural sector not to register with the fund, the Manpower Department said.

Department spokesman Francois de Villiers said that at the end of March fewer than 30% of the expected number of employers had registered. 18141994

He said that in the light of remedial measures instituted last year to strengthen the fund, it would definitely be able to fulfil its obligations. 

As the grace period for registering had expired, steps would be taken against employers who had neglected to sign up workers. However, as conflicting rumours had been circulating about employers' obligation to register, the Fund had decided to send final reminders first.
PRETORIA — Unprecedented demands on the Unemployment Insurance Fund (UIF) had resulted in a R24m monthly deficit, the amount by which payments exceed income, a fund spokesman said.

Reserves at the end of April were R400m — less than half the figure at the end of April last year.

The spokesman said it was hoped the fund's assets would stabilise at the current level of R600m. But even if the monthly deficit of R24m continued, the fund's resources would be able to hold out for another 15 months.

However, the drain was slowing as large numbers of unemployed people had exhausted their fund credits and were not entitled to further aid unless there were exceptional circumstances, he said.

June to September last year was a crisis period, when demands on the fund soared, applications for benefits hit a monthly record of R1 000 and payouts R185m. In that period, payouts exceeded income by a monthly average of more than R70m.

In the first four months of this year, applications for benefits rose slightly to a monthly average of 79 000 from 78 000 in the same period last year.

However, among the applicants were beneficiaries whose fund credits were exhausted and who were not entitled to full or any further benefits.

Consequently, average monthly payouts for the four months had declined to R150m, compared with R168m over the same period last year.
UIF 'leak' sees reserves fall to R400m

CAPE TOWN — The Unemployment Insurance Fund (UIF) reserve had fallen to R400m from R1.2bn early in 1993, acting Director-General of Labour Joggie Kastner said in parliament yesterday. He said the fall in reserves was not excessive when measured against the turnover of around R1bn a year.

Kastner rejected a suggestion by Freedom Front Senator Pieter Gouws that workers should be billed for the possible shortfall. He said there was no proposal as yet to increase contributions.

"There is a big leak in the bucket in that expenditure far exceeds income," Kastner said. He said the fall in reserves was not excessive when measured against the turnover of around R1bn a year.

Kastner rejected a suggestion by Freedom Front Senator Pieter Gouws that workers should be billed for the possible shortfall. He said there was no proposal as yet to increase contributions.
State boost for UIF urged

Cape Town — A task team probing the troubled Unemployment Insurance Fund has recommended that the State should increase its contribution to the fund, the acting director-general of the Labour Department, Joggie Kastner, has disclosed.

The team also called for the 11.1 percent temporary increase in members' payments, imposed late last year, to be made permanent.

The State's contribution at present is restricted to R7 million of the fund's income of R1.6 billion annually.

In 1993 expenditure exceeded income by R232 million. This year expenditure was exceeding income by R23 million a month. The fund's reserves had dipped to only R220 million at the end of July, Kastner said.

Political Correspondent
UIF reserves fall to a dangerous low

CAPE TOWN — The reserves of the Unemployment Insurance Fund had shrunk so much that it would be able to meet its obligations only until April 1995, Labour Minister Tito Mboweni said in Parliament yesterday.

The present shortfall was in excess of R20m, and the fund's reserves had decreased from R1bn in 1991 to a provisional level at June 30 this year of R230m.

The Cabinet had called for discussions on a task group proposal that the state fund contribute an additional R60m a year for not more than five years.

If approved, these recommendations would be implemented in the 1995/96 financial year.

Senator Piet Gous (Freedom Front) said organised agriculture believed the state contribution to the fund had to be increased and employers were not in a position to make larger contributions.

Senator Dries Bruwer (FF) said that no farmers would invest in bankrupt business, and they would not participate in the fund even though they were obliged by law.

"We want to put it very strongly: this fund must be put right or put out of its misery," he said. 19110994

Senator Errol Moorcroft (DFP) said he found it remarkable that in one year the fund's balance had shrunk from R1,165bn to R66bn, a reduction of something like 50%.

He hoped the Minister would give his "absolute attention" to the problem, as the fund was going to be bankrupt soon. Moorcroft said he also found it extraordinary that administration costs could rise 20% in one year in spite of the fact that marginally fewer applicants were served. — Sapa.
Ailing UIF shortfall at R20-m

Cape Town — The reserves of the Unemployment Insurance Fund had shrunk so much that it could meet its obligations only until April 1995, Labour Minister Tito Mboweni said in an interpellation debate yesterday.

The shortfall was in excess of R20 million. The fund’s reserves had decreased from R1 billion in 1991 to a provisional level of R20 million on June 30.

The Cabinet had called for discussions on a task-group proposal that the State fund the shortfall to the extent of 25 percent of employees’ and employers’ contributions.

It had also been recommended that the State contribute an additional R60 million a year for not more than five years.

If approved, these recommendations would be implemented in the 1995/96 financial year.

He said South Africa was going through one of its most difficult economic recessions. The fund was an insurance against unemployment, and demands on it could continue to rise.

Sapa
UIF cash running out, says minister

THE reserves of the Unemployment Insurance Fund had shrunk so much that it would be able to meet its obligations only, until April 1995, said Labour Minister Tito Mboweni in parliament.

The shortfall was more than R20 million, and the fund's reserves had decreased from R1 billion in 1991 to a provisional level at June 30 this year of R230 million, he said in an interpellation debate yesterday.

The cabinet had called for discussions on a task group proposal that the state should fund the shortfall to the extent of 20 percent of employers' and employees' contributions.

It had also been recommended that the state contribute an additional R10 million a year for up to five years.

If approved, these recommendations would be implemented in the 1995/96 financial year.

Senator Piet Gouws (Freedom Front) said organised agriculture believed the state contribution to the fund had to be increased, and that employers were not in a position to make larger contributions.

Senator Dries Bruwer (FF) said no farmers would invest in a bankrupt business, and they would not take part in the fund even though they were obliged to by law.

"We want to put it very strongly: this fund must be put right or put out of its misery," he said.

Senator Errol Moorcroft (DP) said he found it remarkable that in one year the fund's balance had shrunk from R1,145 billion to R668 million, a reduction of about 50 percent.

He hoped the minister would give his "absolute attention" to the problem, as the fund was going to be bankrupt soon.

He also found extraordinary that administration costs could rise 50 percent in one year in spite of the fact that marginally fewer applicants were served.

Sapa.
Cosatu call for speedy restructuring of UIF

By Mzimasi Ngudle

THE Unemployment Insurance Fund must immediately be restructured, the Congress of South African Trade Unions has said.

In its review of key issues affecting trade unions during last weekend’s central executive committee meeting, Cosatu said the fund had been mismanaged to the stage where it was on the point of bankruptcy. It urged the Government to rescue the fund through financial support but said workers’ contributions should not be increased.

Cosatu also called for an independent audit of the fund, public disclosure of audit findings and the arrest and prosecution of individuals who defrauded the fund.

On wages, Cosatu resolved to seek an urgent review of wage and salary structures in the country.

Access to Information

Cosatu also said the task force overseeing the drafting of the Freedom of Information Act should cover access to company information.

Cosatu also resolved that the Government should look at the flight of capital out of the country caused by foreign investments from domestic companies such as Sappi, Gencor and Anglo American.
Government will bail out the ailing UIF — Mboweni

ADRIAN HADLAND

CAPE TOWN — Government had been asked to bail out the ailing Unemployment Insurance Fund to the tune of R372m, it was announced yesterday.

Labour Minister Tito Mboweni said in order to stabilise the fund, which is expected to register a R392m deficit for 1994, government would be required to pay an additional R68m per annum into the fund over the next five years, on top of its current R78m annual contribution.

Bridging capital of R72m would also be provided to cover shortfalls accruing over the period between January and March next year.

"We want to indicate to the country and to the contributors to the fund that we are fully committed to maintaining and stabilising the fund," he said.

The recommendations for additional state assistance, which were framed by an inter-departmental task group, were being considered by the Cabinet's treasury committee, Mboweni said.

Since 1996, the number of applications to the fund had risen 60% while payments had increased 99% and the rand value of payments had soared 316%.

During 1993, 1602000 claims had been received by the fund — up from 630000 claims in 1990 — resulting in payouts of just over R2bn for unemployment benefits and R178m in maternity and adoption benefits.

The fund's reserves had fallen from R1.1bn in 1991 to about R140m by September this year.

The situation had been exacerbated by rising levels of structural unemployment and by late payments from some employers.

The task group recommended that the 11.11% surcharge on employers and employees' contributions, implemented as a temporary measure, be made permanent and that the financial year of the fund be changed from January/December to April/March.

Mboweni said while government was committed to ensuring the fund remained functional and services were improved, measures aimed at promoting vocational training and retraining would be emphasised.

A new computer system would also improve the collection of late or arrears contributions.

The decline of the fund was a temporary problem although a multiparty co-ordinating committee would be established to investigate its longer-term future as well as broader social security issues, Mboweni said. The fund was aimed at providing short-term assistance only.
Minister steps in to damp down fears in UIF crisis

CHRIS WHITFIELD
Political Staff

LABOUR Minister Tito Mbweni has moved strongly to address fears about the future of the Unemployment Insurance Fund (UIF), revealing a range of steps designed to sustain the fund.

He also gave an unequivocal commitment to ensuring the UIF remained functional and its services improved.

Mr Mbweni revealed at a Press conference here that a task group involving the departments of Finance and State Expenditure, the UIF office and the UIF board had recommended to the cabinet that:

- The temporary 11.11 percent surcharge imposed on employers and employees in October last year be made permanent;
- The state finances the fund's monthly shortfall at a rate "not exceeding 25 percent of the contributions received annually from employers";
- In a move to stabilise the fund, the state contributes an additional amount of at least R60 million per year for five years from the 1995/96 financial year;
- An amount of R72 million be made available to the fund as bridging capital to cover the estimated monthly shortfall from January 1995 to March 1995, when the new financial year begins.

The recommendations have gone before the cabinet and been referred to the treasury committee for its consideration. The committee will report back to the cabinet for a final decision.

Mr Mbweni said the Department of Labour was "addressing shortcomings in the administration and is seeking ways of countering late payment of contributions".

The UIF's reserves have declined sharply since 1992. In 1991 they stood at R1,1 billion but by September this year were around the R140 million mark.

Over the past three years monthly expenditure has consistently exceeded monthly income.

Mr Mbweni said factors giving rise to this situation included the economic recession, the increase in unemployment levels and the increased length of time people remained unemployed and drew on the fund.

He also pointed out that the government's contribution to the fund remained unchanged at R7 million annually from 1977.
Mboweni gives UIF assurance

BY ERIC WHITFIELD
POLITICAL CORRESPONDENT

Cape Town — Labour Minister Tito Mboweni has moved strongly to allay fears about the future of the Unemployment Insurance Fund, revealing a range of steps designed to sustain the fund.

At a press conference yesterday he also gave an unequivocal commitment to ensuring the UIF remained functional and that its services improved.

Among recommendations put forward is that the temporary surcharge imposed on employers and employees in October last year be made permanent, and that the State finance the fund's monthly shortfall at a specified rate.

The recommendations have gone before the Cabinet and been referred to the treasury committee. The committee will report back to the Cabinet for a final decision.

The reserves of the UIF have declined sharply since 1992. In 1991 they stood at R1.1 billion. By last month they were around R40 million.

Mboweni said factors giving rise to this situation included the economic recession, the increase in unemployment levels, and the increased length of time people remained unemployed and drew on the fund.

He also pointed out that the Government's contribution to the fund had remained unchanged at R7 million annually from 1977.

The Minister also said provision should be made to include those such as domestic workers and the self-employed who were at present excluded from the scope of the Unemployment Insurance Act.
Govt to bail out ailing UIF

The government had been asked to bail out the ailing Unemployment Insurance Fund to the tune of R372 million, it was announced yesterday.

Labour Minister Mr Tito Mboweni said in order to stabilise the fund, which is expected to register a R302m deficit for 1994, the government would be required to pay an additional R66m per annum into the fund over the next five years, on top of its R73m annual contribution.

Bridging capital of R72m would also be provided to cover shortfalls accruing over the period between January and March next year.

"We want to indicate to the country and contributors to the fund we are fully committed to maintaining and stabilising the fund," Mr Mboweni told a media conference.

The recommendations for additional state assistance were being considered by the cabinet's treasury committee.
Inefficiency sinks the UIF

By Ismail Lagardien
Political Correspondent

THE Government has warned thousands of employers and prosecuted almost 100 over the past two years for failing to keep Unemployment Insurance Fund records up to date.

This comes in the wake of an announcement last week by Minister of Labour Mr Tito Mboweni that UIF reserves were running out and that the fund will be able to meet its obligations only until April next year.

The fund is expected to register a deficit of R302 million in 1994. The Government is expected to pay an estimated R60 million a year into the fund over the next five years, in addition to its current annual contribution of R70 million.

Mboweni said the Government was committed to ensuring the fund remained functional and to improving its services.

Responding to a question by the Democratic Party's Mr James Seifie, Mboweni said 24 employers were prosecuted for neglecting staff records in 1992 and 69 in 1993. Warnings were issued to 7,728 in 1992 and 10,631 in 1993.

"This can be attributed to the intensification of thorough inspection and follow-up services made possible by the creation of additional posts in the regional offices of the Department."
The Cabinet approved an increase in the surcharge on contributions to UIF to 11%.

The Ministry of Labour and Social Affairs has informed contributors that the fund would be used as a temporary buffer until a new plan is announced.

The Minister of Labour and Social Affairs has also announced that contributions to UIF would be used to pay for the 11% surcharge.

The Ministry of Labour and Social Affairs has confirmed that the surcharge would be paid from September 1, 2021.
Cabinet approves 11% UIF surcharge

CABINET yesterday approved an 11% surcharge on Unemployment Insurance Fund contributions from December 1, effectively ensuring the continuation of the recently imposed surcharge.

Labour Minister Tho Mboweni said Cabinet also approved the formation of an interdepartmental task group to investigate the fund, which consistently paid out more than it gained during the past three years. The ministry said the fund's reserves had decreased from R1.1bn in 1991 to about R140m in September 1994.

Mboweni and Finance Minister Chris Liebenberg would determine what proportion of the fund's shortfall would be financed by the state, but this would not exceed 25% of total contributions paid annually by employers and employees.

The Cabinet held intensive discussions on the 1995/96 Budget, saying afterwards only that an expenditure ceiling was agreed.

Although no details were released, the Cabinet statement issued after the meeting suggested government's commitment to "belt-tightening" had been affirmed at the meeting.

The filling of 11,000 vacant civil service posts was again discussed. The Cabinet said the posts would be filled "in a way that would assist in making the composition of the public service more representative of the community".

The discussions follow objections raised by Deputy President FW de Klerk, who said not all posts would be affirmative action posts.

The Cabinet did decide, however, that the posts would be filled "within the framework of existing regulations".

It was informed of the potentially hazardous stockpiling of spent mercury catalyst in KwaZulu/Natal by Thor Chemicals, and it resolved to appoint a commission to investigate the matter.

A state guarantee for the construction and maintenance of the Warmbaths-Pietersburg toll road was also approved.

The basis for the establishment of a national commission on higher education was approved and Prof Jaising Reddy was appointed its chairman.

An intergovernmental forum and substructures to ensure co-operation and coordination among the three levels of government was also approved.

The Cabinet accepted recommendations by Water Affairs and Forestry Minister Kader Asmal on the revision of the naming of government water schemes.

The submission to Parliament of the following bills was approved:

- The Arms and Ammunition Amendment Bill
- The Industrial Development Amendment Bill; and
- The Chiropractors, Homeopaths and Allied Health Service Professions Amendment Bill.
Agriculture 'being penalised over UIF'

LOUISE COOK

GOVERNMENT was trying to save its disastrous Unemployment Insurance Fund to the detriment of the agricultural sector, Transvaal Agricultural Union president Dries Bruwer said yesterday.

Bruwer, who was reacting to the new policy requiring farm workers to contribute for the first time, said farm workers would not agree to pay deductions, meaning farmers would have to foot the bill.

"It would simply lead to further unemployment as farmers are forced to restructure their workforce, because of additional expenses, taxes and losses due to the drought."

Farm workers did not need this insurance and it was inappropriate for government to extend UIF regulations to agriculture.

Agriculture had the most stable workforce with only 5% annual turnover in the sector's 1.3-million employees, he said. It supported more than 5-million people.

The move would jeopardise the reconstruction and development programme because farmers supported an average of five dependants a worker.

"These people would have no support in cases of retrenchments resulting from farmers having to pay the UIF contributions of their workers," Bruwer said.

UIF reserves have over the past three years dropped to R14bn from R11bn.
R268-m lifesaver for UIF

A BAIL-OUT for the beleaguered Unemployment Insurance Fund has been included in the Budget.

The Department of Labour is to be given R268 million for the UIF, of which R220 million is a special payment.

The fund has been drained severely by a long recession, leading to warnings last year that it was at risk of drying up altogether.

The labour department is to be given R100 million towards a scheme for training the unemployed.

The scheme includes on-the-job training aimed at securing permanent employment for trainees.
The Unemployment Insurance Fund, which approached disaster in the early 1990s downturn, appears to have weathered the storm and is returning to financial health.

The UIF was forced to draw almost R1 billion from its reserve account during the past three years to supplement its income from contributions and ensure benefits were paid to all qualifying applicants.

Department of labour figures show that in December last year 259 669 people were registered as unemployed, compared with the peak of 346 307 in September 1993, and a low of 202 678 in July 1990.

These figures reflect only the formal sector unemployment rates, excluding only those employees who had made UIF contributions and subsequently lost their jobs and thus could collect benefits.

Many unemployed people do not register and the real figure is certainly much higher. Labour Minister Tito Mboweni last month described as "extremely conservative" figures released by the Central Statistical Service indicating that at least 3.6 million South Africans - 8 million of them black - were unemployed.

Provision

Even given its narrow parameters of assistance, the UIF underwent severe pressure in the early 1990s, forcing the fund to draw almost R1 billion from its reserve account.

Now the UIF appears to have survived the flood of payments, albeit with drastically depleted reserves. Its balance of about R250 million, compared with reserves of R1.05 billion in 1992 and R488 million in 1993.

A funding provision of R208 million for the UIF was included in last week's Budget. Department of labour spokesman Francois de Villiers said the state was providing a R250 million contribution in bridging finance for shortfalls in the 1995/96 financial year.

He said that of the remaining R18 million, R7 million was the state's contribution towards the UIF while the remainder was to be put aside for the unemployment funds of the former Transkei, Bophuthatswana and Ciskei homelands. These funds are to be integrated but negotiations to create one fund have not been finalized, he said.

De Villiers said the UIF's monthly expenditure has consistently exceeded its monthly income since the beginning of 1992.

Shortfalls had to be financed from the UIF's reserve account. The total shortfall in the 1992 financial year was R230 million, which had increased to R549 million in the 1993 financial year before narrowing to about R102 million last year. But, De Villiers said, early indications were that the abnormal conditions of the last three years were abating and the financial pressure on the UIF was lifting, thanks to the revival of the economy.

The monthly income from contributions for October to December last year was sufficient to meet the expenses of the Fund. For the first time since 1992 there was no need to withdraw money from the reserve account.
Funds needed to ease strain on UIF coffers

WIDENING the scope of the Unemployment Insurance Fund (UIF) to include high earners would boost contributions by about R55m a year, National Labour and Development Institute (Naledi) senior researcher Ravi Naidoo said yesterday.

Speaking at a social welfare conference in Johannesburg, Naidoo said a recent Naledi survey suggested a payments boycott by employers as contributions had dropped by 28% during the past two years, well above retrenchment estimates.

Stopping this gap was essential to ensure the fund continued to meet demands.

Sharing the same platform and speaking in his personal capacity, Labour Ministry official Gerard van Wyk said other funding methods should be urgently sought to ensure the UIF could meet the basic needs of SA's estimated 22% jobless population and extend its scope to job placement, training and retraining.

A recent survey suggested an unemployment policy which paid the jobless in line with the poverty datum line would cost the state R43bn a year, almost half its current tax revenue, Van Wyk said.

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Plans to eradicate social welfare fraud

URGENT measures to eradicate social welfare payout leakages were in the pipeline as estimates suggested about R1bn a year was lost through maladministration and fraud, Welfare and Population Development Minister Abe Williams said yesterday.

Addressing delegates at a conference near Johannesburg exploring SA and German social security provisions, Williams said task teams would be established to conduct random tests of welfare payments to identify where leakages had occurred.

Any payment officials suspected of fraudulent activities would be handed to the police for immediate prosecution and complaints would be investigated in collaboration with provincial authorities.

Western Cape University economics head Pieter le Roux said a recent study confirmed that welfare fraud totalled about R1bn a year and was escalating.

Williams said government was revising the social security system to rationalise existing grants and consolidate the plethora of legislation into a single statute. Complete parity would be achieved soon and a single database of recipients would help eradicate fraud.

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Magistrates’ go-slow is put on hold

CAPE Peninsula magistrates, who threatened to start a go-slow yesterday, would abide by a Magistrates' Association of SA decision not to embark on the action until a meeting on Friday, association president Jan Venter said yesterday.

Venter was reacting to media reports that they would begin a go-slow yesterday.

A central committee meeting of the association on Thursday, however, requested that Mitchell's Plain magistrates should not embark on the action until all members had been consulted.

Venter said magistrates' grievances revolved "mainly" around salaries, but the circumstances of their employment was also an issue as they were carrying a "heavy workload."

He could not comment on what the outcome of the meeting would be, but said: "Magistrates are very responsible people and would not doing anything drastic."

SAPA reports two Western Cape chief magistrates said their courts had been affected by go-slow.

Bertus Jonkie, responsible for the West Coast and Karoo, and Jaco van Reenen, responsible for Mitchell’s Plain to George, said courts were functioning normally.
Govt promises 'can't be kept'

SOUTH Africa has not budgeted for the unemployment insurance and conciliation rights promised to farm and domestic workers, the Afrikaanse Handelsinstituut (AHI) told members of Parliament yesterday.

AHI delegation leader Mr Theo Pegel told the parliamentary committee on labour that the Commission on Conciliation, Mediation and Arbitration proposed in the Labour Relations Bill would cost five times the budgeted amount if it covered farm and domestic workers.

He said the AHI was also concerned that the Unemployment Insurance Fund (UIF), which is already under extreme pressure, would not be able to carry the proposed extension of its cover to include farm and domestic workers.

"These rights have to be extended. But if you promise something, the cash has to be there. I think it is irresponsible to take on a commitment that you cannot serve," he said.

Sanlam delegate Mr Gerrie Botha said the AHI had calculated that the inclusion of farm and domestic workers under the provisions of the proposed commission would push the cost from the budgeted amount of R30 million to about R150m a year.

ANC committee members said in response that, while accepting the criticisms of the fund itself, they would like to see a crackdown on businesses that failed to pay their UIF contributions. — Reuter
Workers angered by insurance fund

By Sibusiso Mahaso

ABOUT 2 000 Soweto Council employees are in uproar over moves by their employers to transfer their insurance fund to another company without their consent.

Work in Soweto where most of the council workers are employed came to a standstill yesterday when angry workers, including clerks, nurses and traffic officers, marched on the offices of the Greater Johannesburg Transitional Metropolitan Council Chambers demanding that they be refunded their insurance money.

The decision to march on the offices of the TMC was taken at the Jabulani council chambers after a meeting between the Soweto Council management and the workers reached a deadlock.

According to workers, trouble started after they had experienced many problems regarding their insurance fund scheme.

The workers alleged that Kaap Trust, who brokered a group scheme introduced in 1990, had transferred their insurance funds held by Southern Life to Sanlam Insurance without their knowledge. They demanded that the now defunct Soweto Council refund them all their contributions.

A spokesman for the workers committee, Mr Shadrack Kapwana, told Sowetan that they were not happy about the manner in which the whole matter was being handled by council management and Kaap Trust.

"We suspect mismanagement of funds here," he said.

The workers dispersed after they were told that a meeting involving all stakeholders would be held on July 5 at the Metropolitan Centre in Braamfontein.
Keep out, ministers warn land invaders

(207) Aug 12/8/95

The full weight of the law would be brought to bear on anyone illegally occupying land in informal settlements outside Umtata, say the Minister of Housing, Sankie Nkondo, and the Minister of Land Affairs, Derek Hanekom.

President Nelson Mandela visited the Chris Hani, Joe Slovo and Mandela settlements near Umtata last Sunday.

The president was concerned that the settlements had been established through illegal occupation, the ministers said.

The government wanted to make it clear that anyone intending to move on to this land now would have no support from the State.

A joint delegation from the Housing and Land Affairs ministries would visit the area on Wednesday for talks with the provincial and local governments and "all interested parties".

Although the government was strongly committed to dealing with landlessness, it planned on doing so systematically to ensure that everyone would be treated fairly.

It did not see land invasion as a solution and thought it made the problem more difficult, the ministers said. — Sapa.
UIF coughs up R544m

Political Correspondent

Spending, in excess of income by the Unemployment Insurance Fund, more than doubled to R544m in 1993.

This was disclosed in a report to parliament by Auditor-General Henk Kruiver.

The increase was caused by a rise of R414m in benefit payments and R111m in spending on staff.

A drop in reserves available for investment caused interest earnings to drop by R68.4m in the 1993/94 financial year.

Measures to stabilise the rise in spending and an increase in the contribution rate had not been enough to stem the financial deterioration of the fund.

An interdepartmental task group had met several times to consider the financial state of the fund.

At the time of compiling the report, further proposals to improve the finances of the report had not been dealt with.

Mr Kruiver noted that benefits worth a total of R16m had been paid in error in 2,771 cases.
Touts harass jobless over UIF payouts

VISITORS to Cape Town's labour department are being forced to run a gauntlet of abuse and harassment by "agents" touting for "businessmen" who cash unemployment insurance cheques in return for a commission.

The touts operate outside the Thomas Boydell building which houses the regional police headquarters and the Labour Department.

At least three different "businesses" operate from vans, which have been converted into mini-armoured vehicles, parked at the corner of Parade and Spin streets.

A Labour Department official has laid a charge of assault after allegedly being threatened with a knife. Women staffers in the Thomas Boydell building have also complained of harassment, the police said this week.

"We have no problem with the payouts, but people leaving and entering the building - especially women - have complained about being harassed and having crude remarks hurled at them," the police spokesman Raymond Dowd said.

A senior Labour Department official said he and his colleagues were "fed-up" with the situation, but said it was up to the police and traffic department to take action.

The Department of Labour hoped to resolve the problem with electronic cash payments.

This week the Sunday Times watched the touts at work.

Five or six keep watch at the entrance to the building and rush towards anybody coming down the steps, tugging, pulling and exhorting them to cash their UIF cheques at the nearby trucks.

A Sunday Times reporter was subjected to a similar onslaught, accompanied by loud swearing on Wednesday.

One startled man tried to barge through the touts' rack on Friday, wildly shaking his head as he was bombarded with offers to do "business".

Richard Hendrickse, a security guard attached to one of the mobile payout vans, said "The Poor Man's Friend" confirmed that the touts were paid between R20 and R40 a "shift".

The paymaster inside the armoured Land Rover, Shuress Naico, said he cashed 15 to 25 UIF cheques daily.

His rounds took him to Labour Department offices at Bellville, Enzle River, Mitchells Plain, Nyanga Station and Woodgate.

Sean van Staden, jobless for two months, said the cash trucks offered instant money at a two to four percent commission on each transaction.

Instant payments cut out a seven-day wait for cheques deposited with banks, and the payloads also created jobs for the middlemen.

He said many shops cashed UIF cheques, but insisted that beneficiaries buy goods in return.

The Labour Department spokesman said "anti-social problems" had only arisen when the private payout service became competitive.
CASH IN A FLASH . . . One of the fortified vehicles used as a pay point for cashing UIF cheques outside Cape Town’s Labour Department offices. Posing on the vehicle are some of the “agents” who tout for business

Picture: AMBROSE PETERS
UIF hopes for better showing this year, after cutting shortfall

PRETORIA — The Unemployment Insurance Fund said it expected an improved performance this year after limiting its shortfall to R102m in 1994, UIF director-general Sipho Pityana said yesterday.

Improved macroeconomic trends would lead to sustainable improvement in the fund, he said at a media conference.

"The state of the fund should be looked at as part of the overall economy. The growth rate, if sustained, will show a slight increase this year and with that the unemployment situation should improve.

"The fund has shown a promising performance since the end of the last year," he said.

Shadrack Mkhonto, newly appointed unemployment insurance commissioner, told reporters the fund's poor record over the past three years had improved this year.

"The fund's average pattern for 1995 has shown we are R3m in the black with a monthly income average of R156m and expenditure of R15m," he said.

The UIF's annual report, released yesterday, showed the fund had registered a shortfall for 1994 of R102m — the third year in a row.

In the 1993 financial year the shortfall was R84m and in 1992, R230m.

"The fund has utilised almost R1bn from its reserves over the past three years to supplement its income," the report said.

Pityana said the abnormally high rate of unemployment, which approached 50% in the past three years, had drained the fund's reserves.

Last year's shortfall had, however, been lower than the expected R230m shortage, indicating a possible financial upturn.

Mkhonto said he would back an increase of state contributions to the fund, currently R7m a year.

"It is peanuts compared to what other states pay towards welfare.

"We carry the extra burden of certain welfare benefits, such as adoption, which is affecting our situation within the fund," Mkhonto said. — Reuters.
Unemployed's insurance in better health

The Unemployment Insurance Fund is showing signs of returning to a healthier state, but still showed a shortfall of R102-million last year.

The lower shortfall in 1994, compared with a R544-million deficit in 1993, was mainly the result of an 11% cut in spending last year.

The UIF's annual report says the recent economic upswing has led to a decline in lay-offs and thus to a slowdown in claims.

Figures released by the UIF show that the number of applications for benefits dropped to an average of 64,000 a month in 1994 against an average of 76,000 in the previous year. Despite fewer claims, the report says the soaring unemployment rate, nearly 50%, continues to affect the financial reserves of the UIF.

In the 1992 and 1993 financial years, the UIF declared a total shortfall of R236-million and R544-million respectively due to lay-offs. Over the past three years the fund had to use R1-billion from reserves to supplement income and finance benefit payments.

Despite the demand on reserves, the UIF report shows a R251-million balance at the end of 1994.

The report says this "is an indication of the fact that sound decisions in respect of desirable levels of reserves were made in the past, and contributors can rest assured that the Fund's reserves will grow again when economic conditions improve and the unemployment rate decreases."

In the 1995/96 budget, the Cabinet made a funding provision of R236-million for financial assistance to the fund should it be necessary.

Other measures implemented to ensure the fund continues to meet its financial obligations include an 11% surcharge on employee and employer contributions to the UIF and legislation calling on the state to finance any monthly shortfall.

Income in 1994 rose 12% to R1,3-billion, from R1,5-billion in 1993, as a result of the increased rate of contributions, general wage increments in 1994 and the lifting of the maximum earnings ceiling from R58,188 to R63,648 during the year.

By THABO KOBOKOANE
private insurer.

Government has again said it stands behind the fund as insurer of last resort; so the technical problem is almost academic.

The fund had to draw down reserves again in 1994, to cover a deficit of R102,4m — better than 1993’s R54,4m extraction.

Contributory factors included the upswing, fewer layoffs and the thousands who had used up their credit.

The focus should now shift from solvency to the administration’s ability to run the fund effectively. The glossy annual report, issued 10 months after the year-end, contains unaudited statistics — hardly designed to inspire confidence. If the reasons for unaudited figures are accepted (they would not get approval in the private sector), an actuarial report might be a good idea.

The statement made during the report’s presentation by DG Sipho Pityana and new commissioner Shadrack Mkhonto that “we are developing a relationship with the Ministry of Trade & Industry with a view to knowing the number of new employers” — and, therefore, identifying contribution defaulters — was also mystifying.

The reported effort to track down defaulters is more convincing.

A special task force of inspectors cost the fund about R500 000 but recovered more than R2m. This is a good return on resources employed.
Drop in '94 benefit pay-outs helps UIF

A FINANCIAL crisis faced by the Unemployment Insurance Fund in recent years appears to be a thing of the past.

Department of Labour director-general S M Pityana said although the fund had a large shortfall at the end of 1993, its financial deterioration had been stemmed.

"This mainly came about as a result of a steady decrease in benefit payments during 1994," Mr Pityana said in reply to a question before parliament's joint standing committee on public accounts.

"Since the beginning of this year the fund's monthly expenditure has broken even with its monthly income and it is expected that this trend will continue for the rest of the financial year."

Deputy director-general Jorgie Kastner told the committee the fund's reserves stood at R250 million. The estimated surplus would be R30 million by the end of this financial year. There was strong pressure from the employer side for the state to increase its contribution to the fund. The state contributed R7 million a year. — Sapa.

Symposium about abuse of cooking oil

BLOEMFONTEIN. — Cooking oil, its frequent re-use and the dangers of continual use will be the subject of a national symposium in Bloemfontein on December 7.

It will be the country's first national symposium focusing on the abuse of cooking oil. Delegates from government, producers of cooking oil and end-users such as fast-food outlets are expected to attend.

There will be several prominent speakers from South Africa and abroad.

A German university has granted DM150 000 (R364 000) for further research of dirty and poisonous cooking oil. Research by Lodewyk Kock and Alfie Botha at the University of the Free State has led to legislation prohibiting the sale of used cooking oil.

Professor Kock said there was a great deal of ignorance among the public and owners of fast-food operations about the use of cooking oil. An elementary testing kit is available. — Sapa.
Mboweni tackles UIF restructure

PRETORIA — Labour Minister Tito Mboweni this weekend set in motion the process of restructuring the outmoded Unemployment Insurance Fund.

Mboweni told a gathering attended by members of the Senate committee on labour, the National Assembly’s portfolio committee on labour, employees of the labour department, and other stakeholders that the fund fell far behind international developments in protecting the unemployed.

“IT simply no longer meets the requirements of a fundamentally changed society nor can it cope with the social consequences of economic restructuring,” said Mboweni.

He said the fund, established in the 1930s, was inadequate in that it excluded people who have been unemployed for a long time and its board was unrepresentative.

The fund also excluded domestic workers and public-service officials, and excluded workers who have been placed on short time or who have been temporarily laid off.

Women who earn more than a third of their wages during maternity also suffered.

Mboweni said the fund should operate in association with the training and retraining of employees as well as job creation.

He cited Germany, where a single body handled job placement, career counselling, apprenticeships, promoted vocational training, as well as providing unemployment insurance.

Mboweni said: “South Africa will not succeed in solving its unemployment problem unless its labour policies are successfully integrated with its overall economic policy.”

The fund provided only temporary relief for unemployed workers whereas addressing the causes of unemployment required an effective economic policy and social partnership, he said.

Sanctions-busting fund to go

CAPE TOWN — One of the last economic-support structures of apartheid, the formerly secret National Supplies Procurement Fund, should be dismantled by early next year.

The fund was the channel for billions of rands used by the National Party government at the height of the international sanctions campaign to finance the stockpile of essential equipment and supplies, ranging from chemicals to high-technology equipment.

In a written submission to the parliamentary committee on public accounts, Zev Rustenjee, director general of trade and industry, said there was R12.6 million outstanding in loans owed to the fund while the fund owned 42 000 tons of contaminated sulphur.

The interest-free loans were for glass tubes, liquid seals, bearings and electronics.

With the exception of a loan of R499 000 to Kopp Electronics, all other loans would soon be repaid to wind up the fund.
Mbouweni tackles UIF restructure

CT(23) 13/11/95

Pretoria — Labour Minister Tito Mbouweni this weekend set in motion the process of restructuring the outmoded Unemployment Insurance Fund.

Mbouweni told a gathering attended by members of the Senate committee on labour, the National Assembly portfolio committee on labour, employees of the labour department, and other stakeholders that the fund fell far behind international developments in protecting the unemployed.

"It simply no longer meets the requirements of a fundamentally changed society nor can it cope with the social consequences of economic restructuring," said Mbouweni.

He said the fund, established in the 1950s, was inadequate in that it excluded people who have been unemployed for a long time and its board was unrepresentative.

The fund also excluded domestic workers and public-service officials, and excluded workers who have been placed on short time or who have been temporarily laid off. Women who earn more than a third of their wages during maternity also suffered.

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The fund provided only temporary relief for unemployed workers whereas addressing the causes of unemployment required an effective economic policy and social
UIF must be restructured

Renee Gravenzky

13/11/95

THE Unemployment Insurance Fund needed to be restructured, Labour Minister Tito Mboweni said on Friday.

Speaking at a stakeholders meeting on the Unemployment Insurance Fund in Pretoria, Mboweni said the aim of the meeting was to set in motion the process for the restructuring of the fund to formulate a new policy on unemployment coverage.

Mboweni listed a number of the fund's shortcomings, including the fact that the long-term unemployed were effectively excluded from getting benefits and benefits were payable for a maximum of 26 weeks out of a cycle of 52 weeks.

Before the meeting, labour department director-general Sipho Pitsoane said that since the beginning of the year, the fund's monthly expenditure had broken even with monthly income.

A spokesman for the fund said in recent months contributions to the fund exceeded what was being paid out, but put this down to the fact that people had claimed within the allowed period.

Mboweni said that SA would not solve its unemployment problems unless its labour policies are successfully integrated with its overall economic policy. The fund had to be linked with other social services such as job placement, career counselling and technical training.
UIF restructuring gets a kickstart

ESTELLE RANDALL
Labour Reporter

THE restructuring of the Unemployment Insurance Fund (UIF) got a kickstart when Labour Minister Tito Mboweni met representatives from Nedlac, the Department of Labour, members of the Senate Committee on Labour and the Portfolio Committee on Labour in the National Assembly.

The Labour Ministry’s five-year programme, released earlier this year, included a section on restructuring the UIF, which identified the need to establish a multipartite task team to develop a national policy on unemployment coverage and to restructure the UIF.

In his address to the meeting, Mr Mboweni said the UIF no longer met the needs of a fundamentally changed society, nor could it cope with the social consequences of economic restructuring and endemic unemployment.

The fund began in the early 1990s and was based on a scheme operating in the United Kingdom at that time.

Current inadequate provisions of the fund included its effective exclusion of long-term unemployment, domestic workers, public service officials and those whose earnings exceeded the maximum levels.

Benefits of the fund were also inadequate as these were payable for a maximum period of 20 weeks only; workers on short-time or who were temporarily laid off could not draw benefits; and women who earned more than a third of their salaries during maternity leave could not make use of the maternity benefits of the fund.

The former board of the fund was also unrepresentative and lacked the necessary authority to function properly.

Mr Mboweni said an active labour market policy needed an unemployment insurance fund which was linked to other social services. In Germany, he said, a single institution and a single law administered job placement, career counselling, vocational training, apprenticeships and unemployment insurance and assistance services.

This approach resulted in better coordination between job placement, training and unemployment insurance, ensured that benefits were only paid to genuine workseekers, and priority was placed on job creation rather than payment of benefits.

Successful implementation of such a model needed sufficient funds and finding alternative ways to finance a new scheme was a key challenge. In its five-year programme, the ministry identified the International Labour Organisation or a donor country as possible sources of assistance.
Fund commissioner axed over R63m claims backlog

Stephané Bothma

Pretoria — Umtata’s Unemployment Insurance Fund (UIF) commissioner, Vuyani Qina, has been relieved of his duties following maladministration which led to a backlog of 25,000 claims involving R63m — the majority dating back eight years.

Labour director-general Sipho Pityana said yesterday responsibility for the Transkei fund would be taken over immediately by UIF commissioner Shadrack Mkhonto.

An investigation showed that the Umtata office had been in a state of breakdown for years, Pityana said. Its financial records could not be audited and normal accounting functions had not been performed.

A massive backlog in the processing of claims had built up and about 25,000 claims had not yet been finalised.

More than 2,000 current claims, received during the past six months, had not been processed.

Approximately 22,000 files in respect of applications received over the past eight years still need to be finalised,” he said.

In addition, there had been a complete breakdown at the 29 magisterial paypoints in the former Transkei.

”Applicants reporting to sign the unemployment register or to collect payments are receiving very little, if any, assistance.”

Special work teams had been set up to help the Umtata office, an administrator had been appointed to oversee the day-to-day functioning of the office and auditors Coopers & Lybrand had been appointed to investigate alleged irregularities, he said.

Mkhonto said the fund was not in any immediate financial danger, holding funds of about R400m.

“However, R270m is stuck in endowment policies and will become available only in eight years, but we have R123m in reserve to cover monthly claims,” he said.
R63-m backlog in UIF claims

UMTATA — Unemployment Insurance Fund commissioner Vuyani Qina has been dismissed from his post with immediate effect, Ministry of Labour director-general Mr Sipho Pityana said in Pretoria yesterday.

The dismissal was prompted by a R63 million backlog in unemployment fund insurance claims.

"It is clear that he (Qina) is not able to control the situation there," Pityana told reporters in Pretoria. "There is a need for much firmer leadership."

Pityana said almost 25 000 claims, of which 22 000 were about eight years old, had not been finalised.

There had also been a complete breakdown at the 29 pay points in the former Transkei.

"It is evident that applicants reporting to sign the unemployment register and to collect payments are receiving very little, if any, assistance," he said.

The financial records of the Umtata fund were in an unaudit state, and a lack of motivation among staff had led to a total breakdown in discipline.

Pityana said the situation in Umtata could delay the April 1 date set for the integration of unemployment insurance funds.

A private firm has been appointed to investigate alleged irregularities already identified in an auditor-general's report released in 1994.

The labour department would be guided by this report and appropriate measures would be taken to deal with any malpractice or misconduct.

An administrator had been appointed to oversee the everyday functioning of the Umtata fund and special work teams would assist the Umtata office.

A firm of accountants would be appointed to the fund with a view to stabilising its financial administration, Pityana said. — Sapa.
Farmers in trouble over unpaid UIF

Thousands of farmers, including Transvaal Agricultural Union president Dries Bruwer, could face prosecution for failing to comply with the Unemployment Insurance Act, the Department of Labour said yesterday.

The office of the unemployment insurance commissioner has handed 1,630 cases to public prosecutors' offices, and the department was investigating a further 5,930 cases for possible legal action, it said.

The act was first amended in 1993 to include farmworkers, but a grace period was granted until March 1994. Farmers had to start paying unemployment insurance from April 1, 1994. — Sapa
Farmers will be prosecuted

By Abdul Milazi, Labour Reporter

THE Department of Labour is to prosecute 5,930 farmers who are not contributing to the Unemployment Insurance Fund (UIF).

Department spokesman Mrerry Majathisi said yesterday that farmworkers lived under slave conditions where they did not have pension schemes, and to compound their problems, some farmers did not contribute to the UIF.

He said this had left scores of dismissed farmworkers without income, unlike workers in other sectors who received allowances from the UIF contributions while looking for jobs.

Majathisi said the UIF commissioner had already taken action against farmers who were not paying, as the public prosecutor was currently handling 1,630 cases.

Farmers were previously excluded from the UIF Act, until it was amended in 1993. However, the government gave them a period of grace until March 1994.

Unemployment insurance

Majathisi said farmers had to start paying unemployment insurance from April 1994, and many had not paid. The department intended prosecuting Transvaal Agricultural Union (TAU) president Mr Dries Bruwer and his colleagues, after the union had vowed not to pay, claiming that the rules of the fund were not acceptable to the farming sector.

He also claimed that many agreements between the previous government and his union had been broken.

"Regarding Bruwer’s allegations that several agreements were broken by the previous government, perhaps it should be mentioned that the former Department of manpower had entered into discussions with various interested parties, including the TAU, but no formal agreement was reached with any union," Majathisi said.

"The statement that the rules of the UIF were unacceptable to farmworkers cannot be appreciated by the department. The department had gone to great lengths to reach all employers and employees in the sector."

Bruwer was yesterday not available for comment.
'High-income earners should contribute to UIF'  
ARG 20/6/96 (301)

High-income earners also should be required to pay unemployment insurance, the Labour Market Commission has recommended. This would make the fund more solvent, the commission says.

The government has had to bail out the UIF on several occasions, even though contributions from workers and employers have doubled in less than 10 years. In the 1995-96 budget, R988 million was allocated to UIF.

One reason for this is that the fund has a growing number of low-income contributors with a high risk of unemployment, while those earning high incomes, with low risk of unemployment, are excluded.

The commission recommends those with salaries of more than R69 400 a year no longer be excluded from unemployment insurance contributions.
TBVC funds meld with SAi

PRETORIA — The unemployment insurance funds of former Transkei, Ciskei, Venda and Bophuthatswana were dissolved on Monday and integrated with that of SA, the labour department said yesterday.

This had been done in terms of the Integration of Labour Law Act which allowed for the repeal of labour laws in the former TBVC states.

This meant all contributions by employers in the former independent states had to be paid into the SA fund in Pretoria.

The records of the funds had been sent to the Pretoria office, and employers would soon receive new reference numbers.

The integration might cause delays in processing of claims. — Sapa
R1,9-bn paid into fund for jobless

Minister faces UIF revamp over 40 percent unemployed

CLIVE SAWYER
Political Correspondent

MORE than R1,9 billion was paid into the Unemployment Insurance Fund last year by employers, employees and the state.

Contributions by employers and employees totalled R1,958 billion and the state paid in R7 million.

Labour Minister Tito Mboweni said 721,030 people were paid benefits from the fund last year. He was replying to a question from National Party MP Armiston Watson.

He said 233,846 from Gauteng were paid benefits, 165,318 from KwaZulu-Natal and 134,337 from the Western Cape.

The Labour Ministry's Labour Market Commission last month recommended a revamp of support for the unemployed.

It said the existing UIF scheme failed to cater for most of the jobless, now estimated to be about 40 percent of the population.

It recommended that high-income earners should also contribute to the fund.

At present, a relatively low R69 420 a year was the cut-off point above which earners were exempt from contributing to the fund.

Mr Mboweni last year began reforming the fund with a meeting of representatives from the National Economic Development and Labour Advisory Council (Nedlac) and the national assembly committee on labour.

He said that one of the fund's inadequacies was that it provided only temporary relief.

The fund had neared crisis point in the early 1990s with a sharp increase in demand for benefits, but claims had since decreased.

Meanwhile, 78 claims, some more than two years old, by employees for compensation for occupational injuries were pending because assessors to hear the claims had not been appointed.

Mr Mboweni, replying to a question from Democratic Party senator James Selfe, said that he had not yet appointed assessors in terms of the 1983 Compensation for Occupational Injuries and Diseases Act because the names submitted to him by the Compensation Board were "not sufficiently representative of the population."

"I am prepared to appoint assessors as soon as the Compensation Board provides me with a more representative list," he said.

He said 78 objections and applications from injured employees had been received in 1994 and 1995, and were pending.

The new act, which replaced the Workmen's Compensation Act, came into effect on March 1, 1994.
The Minister of Labour:

The Minister of Health:

The Minister for the Public Service:

The Minister for the Public Service:


department of finance

department of water and power

department of education and training

department of home affairs

department of health and welfare

department of agriculture

department of transport

department of trade and industry

department of industry and commerce

department of electricity

ANNEXURE

A separate table showing the factors contributing to the overall cost of living. This table is not included in the main text and is only available in the annexure.
The Department of Labour fund which compensates workers for occupational injuries and diseases is to crack down on employers who understate wage bills – and on hospitals which overcharge.

The Compensation Fund relies largely on companies paying the correct amounts in contributions but a spot check showed one company had understated its wage bill by about R5 million and seven had underpaid contributions by R600 000.

Acting compensation commissioner Joggie Kastner would not divulge the names of the companies at a briefing yesterday on the Compensation Fund’s 1994/1995 annual report.

But he said the department was serious about stopping underpayment. Penalties for defaulting employers might be increased to act as a deterrent, and the fund was also evaluating two proposals on how to carry out effective wage audits, and would run a pilot study in Gauteng.

Possible co-operation with the Receiver of Revenue was also being explored.

Spot checks of bills submitted by hospitals had shown over-billing.
Wage increases help UIF show turnaround

CAPE TOWN — The Unemployment Insurance Fund, which recorded a deficit of R102m in 1994, showed a turnaround last year, making a surplus of R35.728m.

The fund, which provides short-term insurance cover to qualifying people who lose their jobs, and lump sums to dependants of deceased contributors, released its annual report in Cape Town yesterday.

The improvement in results were in spite of an increase in applications for UIF and the fact that R63.469m more was paid out in benefits than in 1994, UIF commissioner Shadrack Mkhonto told a news briefing.

The turnaround was mainly attributable to general wage increases in SA last year and an increase in the maximum earnings ceiling on which UIF had to be paid from R68 000 to R76 000.

The fund’s total income was R2.057bn, which increased from R1.842bn in 1994 while expenditure rose to R2.021bn.

The fund’s expenditure in the previous year was R1.944bn.

The number of people claiming UIF continued to increase in the current financial year, with benefit payments up until the end of last month amounting to R1.78bn, Mkhonto said.

The fund had accumulated a deficit for the year to September of R114m, but hoped to cover this with investment income.

A three-man team looking into the role of the fund is due to make its final report by the end of next month.

Its recommendations will cover the inclusion of workers not currently covered by UIF legislation, the improvement of the benefit structure and the introduction of a central database to combat fraudulent claims.

Labour Minister Tito Mboweni said restructuring the fund was a lengthy process, made more complex by having to incorporate funds from the former TBVC homelands.

There were continued problems with people who made claims when they were no longer unemployed, he said. — Sapa.
Revamp on the cards for unemployment fund

ESTELLE RANDALL
LABOUR REPORTER

The Unemployment Insurance Fund is running an average monthly deficit of R18.6-million, but the shortfall is being covered by interest on reserve funds.

This was disclosed in Cape Town by fund commissioner Shakes Mkhonto at a presentation of the fund's annual report for 1994-95.

Mr Mkhonto said he expected the fund to show an increase in income for this year as had been the case last year.

Last year the fund's income exceeded its spending by R35.7-million whereas in 1994 it had shown a deficit of R102-million.

This was in spite of an increase in applications to the fund last year, when about 3 million individual payments were made.

The increase of about 12 percent in the fund's income last year could be attributed to general wage increases granted during the year and the increase in the maximum earnings of workers who may contribute to the fund, the department reported.

But the fund had an ever-increasing problem with employers who neglected to register or failed to submit monthly contributions.

Last year the fund carried out 34 538 inspections, from which it collected only R9 688. It collected another R526 947 from fines on defaulting employers. About 6 000 employers were prosecuted.

So far, the formerly separate unemployment insurance funds have been integrated. But big changes are in store next year to deal with the social consequences of economic restructuring and unemployment.

A task team to restructure the fund will make far-reaching recommendations by February.

Increasing unemployment-related benefits and the possibility of some of these being paid as lump sums instead of in monthly instalments for six months are among likely changes.

The fund offers short-term insurance cover against unemployment resulting from joblessness, maternity or adoption and illness.

It also pays benefits to direct dependents of deceased members of the fund.

Contributors receive a week’s benefit for every six weeks of employment to a maximum of 26 weeks.

Last year unemployment applications approved rose from 579 312 to 605 756. Payouts totalled R1.458-billion, an increase of almost R40-million over 1994. Maternity benefits approved were 65 308, an increase of 407.
Massive fund plummets U.S. from surplus to a deficit
Govt loses R180-m on UIF

By Abdul Milazi

THE Government is losing about R180 million because of employers cheating on the Unemployment Insurance Fund. UIF commissioner Shadrack Mkhonto says defaulting employers are a major problem in the restructuring of the Fund, proposed by the Department of Labour in 1994.

"This problem could not be addressed sufficiently during 1995 because of a shortage of staff. Defaulting employers will have to receive special attention as soon as the vacant positions are filled," said Mkhonto.

The Fund has since prosecuted 6 039 employers and collected R536 547 in fines from defaulters.

A total of 34 538 inspections were conducted this year and R9 585 uncollected contributions was recovered.

He said the major problem in verifying payroll information submitted by companies was the lack of a central database of the country's worker.

"Currently we are forced to accept whatever information companies give us. Another complication is that the payroll is submitted as a lump sum without breaking it down into individual employee salaries."

"Our inspectors cannot do inspections of all the country's largest and smallest companies."

Mkhonto said his plan was to liaise with the receiver of revenue and the Department of Trade and Industry to disclose certain information to the UIF, to enable it to apprehend defaulters.

He says that under the new constitution the DTI and receiver of revenue have a right not to disclose information they deem confidential.

"If companies can submit the correct tax submissions to the receiver of revenue we will compare the figures with those on our records and see which company is cheating," said Mkhonto.

According to Mkhonto many companies shrink the figures when submitting their payroll so that they pay less in contributions.

Businesses are required to contribute one percent of the total payroll a month, while employers also pay one percent of their salary.
Court to decide in row on UIF benefits

Jacob Dlamini

THE Unemployment Insurance Board would ask the Supreme Court to decide if local government councillors should be allowed to draw unemployment insurance fund (UIF) benefits, the labour ministry said yesterday.

The move was aimed at obtaining clarity on whether councillors could be regarded as unemployed following a row sparked by Durban south African National Congress mayor Elias Mkhize who continued to collect UIF benefits despite getting a monthly allowance of about R14 000 last year.

Mkhize has since stopped receiving benefits, but the case caused an uproar with opposition parties asking if he had not broken the law.

Labour Minister Thoko Mboweni sought legal advice on the matter, but found there was no statutory definition for the term “unemployed” in terms of both the Unemployment Act and the Unemployment Insurance Act.

Mboweni said there was a “political and moral question” involved, “but I'm of the view that this matter should be considered by the councillors themselves, the institutions on which they serve and the public whom they represent”.

SA Local Government Association chairman Collin Matjila welcomed the ministry’s move: “There are currently no deductions made from councillors’ allowances and the law is not clear on whether that should be the case, so we welcome any decision that seeks to clarify that.”

Labour ministry spokesman Estelle Randall said there were few councillors drawing UIF benefits but her department wanted the matter clarified.

SAPA reports that two labour department clerks had been suspended pending an investigation into alleged fraud involving the UIF, the department said yesterday.
Millions paid to fund unnecessarily

MILLIONS of rands in unnecessary premiums were being paid to the Workers' Compensation Fund, a Johannesburg risk management company claimed yesterday.

Mike Kruger of Statutory Liability Insurance Consultants, part of the MIB Group, said some employers remained ignorant of their right to query their risk rating by the fund and, in many cases, to have their premiums reduced.

Kruger said the fund was in the black — premiums outweighing claims and costs.

"While this is undoubtedly due in part to good management, it's clear from our experience that millions of rands in overpaid premiums are going into the fund's coffers."

"The key to correcting the scenario lies in an accurate rating commensurate with the risk of the insured employer."

"Unbeknown to employers, they have every right to query their ratings and where justified, have these ratings adjusted to reduce their premiums."

Typically, a company was rated according to historical performance of the sector in which it traded, Kruger said. Premiums were calculated broadly on the basis of 65% premium to 35% cost.

He said his firm had come across numer-

The complexity of the Compensation for Occupational Injuries Act was a problem and in need of simplification, he said.

"In the interim employers have to tussle with the act, and their own registration and rating, often without professional input."

"In one case a major employer had 45 different ratings, and after rationalising the situation, the number of ratings was reduced to 20 and premiums cut drastically, with obvious benefits to the bottom line."

"There are numerous companies out there in similar situations with every right to query ratings." — Sapa.
The UIF is in a crisis. Claims leave.

By Abdul Miah and Gerty Rolly

The UIF is losing more than R1 billion annually.
R28-m UIF money recouped

By Abdul Milazi

The Department of Labour yesterday said it has recovered R28.8 million of the estimated R44.1 million lost by the Unemployment Insurance Fund (UIF) through fraud last year.

Government spokesman, Musa Ndwandwe said the money was recovered through a joint fraud prevention operation with the South African Police Service, which involved spot checks and random inspection of company premises, launched late last year.

Ndwandwe said after intensive investigation, the Department of Labour intercepted fraudulent cheques amounting to R4.22 million, R39.79 million in overpayment and R140 000 stolen at payout points by employees.

Ndwandwe said other forms of fraud involved workers applying for unemployment benefits while they were still employed. He explained that this occurred when people made false unemployment cards (blue cards) with fictitious periods of employment for which they are paid.

"A syndicate specialising in this kind of fraud was unmasked during an investigation into the problem last year. Its operations were highly professional and very difficult to detect," said Ndwandwe.

He said members of this syndicate were in possession of rubber stamps of several companies which they used to "authenticate" applications for unemployment benefits.

"The investigation has since connected 230 fraudulent applications involving R1.5 million with the syndicate," Ndwandwe said.

He said the Fund would continue to update its systems and procedures in an attempt to counter the fraud.

According to the Fund's 1995 annual report, R2 billion was spent last year on pay outs and administration, while R1 billion was spent in 1994. It also said the fund's current reserves were down to R820 million. This was R125 million less than the previous year.
Salary ceiling for UIF coverage raised

JACOB Dlamini

CAPE TOWN — Labour Minister Tito Mboweni yesterday announced the extension of Unemployment Insurance Fund (UIF) coverage to workers earning up to R82 992 a year. The extension comes into effect on September 1 and is designed to keep pace with salary increases.

UIF commissioner Shadrack Mkhonto said the 8.5% increase in the maximum earnings ceiling was aimed at providing continuing unemployment insurance cover to the majority of South African workers.

"There is a danger that a lot of people will keep on falling out of the net provided by the UIF if we don’t extend its coverage to keep pace with annual salary increases. The UIF covers the most vulnerable workers and we need to ensure that its coverage stays constant," he said.

The UIF covers 5 million workers and receives about 700 000 applications for benefits every year.

Mkhonto said the extension would not lead to an increase in contributions and would have no effect on salaries. At present the UIF deducts 1% from wage bills and from workers’ salaries.

Last year UIF payments, which are reviewed annually using a survey of market conditions, were made to workers earning up to R76 752 a year.
Compulsory membership of UIF extended

Tito Mboweni, the labour minister, had extended compulsory membership of the Unemployment Insurance Fund (UIF) to all workers earning up to R82,992 a year, with effect from the beginning of next month, the department of labour said yesterday. It said the new cutoff meant workers earning up to R82,992 a year would contribute to UIF and employers were expected to "make the necessary salary deductions and pay these to the UIF with effect from September 1." UIF coverage has previously applied to workers earning up to R76,763 a year. "The 6.11 percent increase...has been affected to keep pace with wage increases and to continue unemployment insurance coverage for the majority of workers in South Africa," the department said. "Notices about the increased maximum earnings ceilings are being sent to all registered employers." — Frank Ndamalo, Johannesburg
Many Western Cape employers have been failing to make unemployment insurance payments for their staff – who find they are not covered only when they apply for dole.

The Department of Labour has collected R16-million in a crackdown on businesses that have failed to make payments as required by law. The money was collected in the first half of the year and the amount is expected to increase to more than R20-million by December.

The campaign was initiated by the Unemployment Insurance Fund collections department in January and aimed to collect R8-million by the end of June. But by the end of May more than R9-million had already been collected by inspectors.

Yusuf Larney, programme head of the unemployment insurance division, said this was the tip of the iceberg. “There are lots more companies guilty of not paying up that still need to be investigated,” he said.

Many employees found out that their employers had not paid UIF contributions only when they applied for benefits.

“In many cases we have found that monthly deductions were made from the employees’ salaries but the money was not paid into the fund,” Mr Larney said. About 10 percent of cases ended up in court.

By law employers and employees have to pay 1% of employees’ salaries to the UIF every month. The law provides for exemptions for contract workers, civil servants and some seasonal workers.

The payments are made to the Labour Department’s head office in Pretoria, where a check is kept on defaulters. After a few months of payments not being made, information on defaulters is sent to the provincial offices for investigation.

“We try to correspond and find a solution with the defaulters,” Mr Larney said. “It stands to reason that there will come a time when a decision will have to be taken if we cannot come to such an arrangement. Our only alternative then would be to go to court.”

Mr Larney said settlements were mostly reached out of court. Ignorance also played a part in non-payment.

“In the informal trading sector many people do not know about the laws. It is therefore our aim to also educate people and to ask defaulters to come forward so we can help them,” said Mr Larney.

Often employees asked employers not to deduct unemployment insurance because they wanted their full salaries.

“Employers should remember this is the law and there should be no debate,” he said.
UIF faces false claims for R5.7-m

BY JOVIAL RANTA

Cape Town - A total of 577 people have been prosecuted in the past year for falsifying Unemployment Insurance Fund claims involving R5.7-million, Labour Minister Tito Mboweni told Parliament yesterday.

Replying to a question from Democratic Party leader Tony Leon, Mboweni said the Government had been able to recover R5.4-million.

Although they were inadequate, procedures had been put in place to verify the authenticity of UIF claims.

"The fund's business plan for 1997 calls for all claims officers to verify entries on record cards of at least 50% of all applications received.

"The target of verifying at least 50% of the information contained on contributors' record cards has been met by the majority of provincial offices and labour centres," Mboweni said.

"It should be noted that the fund gets more than 800 000 applications a year and most of the cards have more than one entry recorded, implying that there are literally millions of entries."
Squatter bill meets opposition

BY JOVEL RAMTAO
Political Correspondent

Cape Town — The Prevention of Unlawful Occupation of Land Bill has met stiff opposition from the banking and agricultural sectors.

The draft legislation will repeal the Prevention of Illegal Squatting Act of 1931 and seeks to curb illegal land invasions by establishing fast-track, lawful and fair legislative processes in terms of which people who illegally occupy land can be evicted.

In its submission to Parliament's housing committee, the Council of South African Banks (Cosab) said the banking sector was concerned at the potential threats the new bill posed to the stability of the entire property market and to land values.

Cosab general manager Stuart Grobler said his organisation was particularly concerned about a provision in the bill which restricted the application of the bill to illegal occupiers who have resided on the land for a period of not less than one year.

The South African Agricultural Union said the bill did not provide the necessary protection to landowners.

The Gauteng Association for Local Authorities said local government would be affected to such an extent that it would be unable to deal with unlawful land occupation.
A total of 9 (nine) votes were polled for the 1996 Neve.

COMMUNITY ROLL AND PENSION ROLL

Our community rolls and pension rolls are now up to date.

The Minister of Labour

In the event of these motions passed, the Information on the

Labour and Employment

The Minister for Agriculture and Land Affairs

The Minister for Agriculture and Land Affairs

LAND AND WATER RESOURCES

The Minister for Agriculture and Land Affairs

(1) The Land and Water Resources Committee has decided to recommend that the Minister for Agriculture and Land Affairs be appointed as the Minister responsible for the information on the labour and employment of agricultural workers.

The Minister for Agriculture and Land Affairs

Population Development

The Minister for Agriculture and Land Affairs

Population Development

NOTICE TO ALL

The Minister of Labour

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### Table: Woodward's 10 September 1991

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### Document: Woodward's 10 September 1991

THE MINISTRY OF TRANSPORT

1. The Minister of Transport hereby appoints Mr. James Brown as the engineer in charge of the construction of the new bridge over the river at X.

2. The appointment is effective from the date of this notice.

3. Mr. Brown is required to attend the first meeting of the construction committee on the 15th of next month.

4. Any queries or concerns should be directed to the director of the project, Mr. Johnson.
**The Minister for Agriculture and the Environment**

(1) The Minister for Agriculture and the Environment has announced a new policy to address the need for sustainable farming practices and renewable energy sources. This policy aims to reduce the environmental impact of agriculture and promote biodiversity.

(2) The policy includes measures such as premium grants for farmers who adopt sustainable farming methods, investment in renewable energy projects, and the establishment of a national biodiversity fund. These initiatives are expected to create new jobs and stimulate economic growth in rural areas.

(3) "This is a significant step forward in our commitment to sustainable development," said the Minister. "We believe that by working together, we can create a healthier environment for future generations."
The Minister of Water Affairs and Forestry

The National Department of Water Affairs and Forestry has developed a policy framework for water resources management and development in South Africa. The framework aims to ensure sustainable management of water resources, promote economic development, and support social equity.

Key aspects of the framework include:

- Integrated water resources management
- Water efficiency
- Water quality and pollution control
- Aquifer protection
- Flood risk management
- Water pricing
- Sanitation and sewerage
- Water rights

The framework is designed to align with the National Water Act, 2004 (Act 36 of 2004), and other relevant legislation.

For more information, please visit the National Department of Water Affairs and Forestry's website or contact their offices.
The information provided is not clear or legible due to the quality of the image. It appears to be a printed document, possibly a page from a report or letter, but the text is not legible enough to extract meaningful content.
Special courts bid to halt UIF ‘fraud culture’

R124-m underpaid

JOSEPH ARANJES

Fraud is undermining the Unemployment Insurance Fund, where registered employers underpaid by R124-million last year, national fund commissioner Shadrack Mkhonto warns.

And R33-million recovered last year from people who had drawn benefits while employed was “just the tip of the iceberg”, he told Western Cape business and Labour Department officials yesterday.

A special court, possibly located in the Labour Court, was being proposed to deal with the “culture of fraud” prevalent in the running of the fund.

The Unemployment Insurance Act of 1966, which governs the fund, would be reformed to correct the imbalances caused by the years of apartheid, he said.

“The image of the fund is bad and there is a general feeling that corruption is rife and the most vulnerable of our workforce, like farmworkers and domestic workers, is excluded from the benefits,” Mr Mkhonto said.

“Another perception is that the fund is badly managed. This could largely be due to the fact that we have just integrated five funds, four from the former homelands, into one. But we are streamlining and rationalising our operation so we can deliver a faster and more efficient service.”

Mr Mkhonto said these problems did not start “the other day” but had emerged soon after the fund was introduced in the 1930s. The fund was based on European social welfare principles, which assumed that all citizens were equal and there would be solidarity in the labour market and in society in general.

“It did not take into account that morality in this country is lost and on its way out and being replaced by crime. Not a single case of fraud was reported prior to 1994, yet it existed. There was a psychology that missing cheques or people drawing benefits while employed were not crimes.

“In the past year we collected R33-million from people who fraudulently drew benefits while still employed. This is just the tip of the iceberg, but with the proposed changes to the legislation we hope to put tougher measures in place to stamp out this corruption.”

Mr Mkhonto said it was not only the workers who were misusing the system. Employers were just as guilty. Millions of rand were underpaid and not all businesses were registered with the fund.

“We are no longer going to tolerate this culture of crime in the fund and people guilty of defrauding the system will have to face the consequences of their actions. They will be treated like criminals and will have the choice or either going to jail or not entering the institution,” he said.

One of the proposals to stamp out corruption would be to set up special courts in the Labour Court, with the same powers as magistrates.
In tune: the Sunshine Entertainers welcome national UIF commissioner Shadrack Mkhonto to the provincial Labour Department.
SOCIAL SECURITY - U.I.F
1998 - 1999
Bosses chief culprits in UIF fraud

ED VEST
Deputy Business Editor

The Western Cape Department of Labour is scoring early successes in the fight against Unemployment Insurance Fund (UIF) fraud and labelling employers themselves the chief culprits.

Western Cape UIF director Yusuf Larney says the department has netted about R3-million a month for two months since adopting a new strategy – one similar to that being used by the SA Revenue Services to trace tax dodgers.

A recovery unit of several inspectors goes to specific areas and questions employers door-to-door on their UIF contributions.

The Labour Department’s bill for unemployment benefits for about 38 000 people in the Western Cape totals more than R50-million a month.

Mr Larney says the most common type of UIF fraud in the province is by employers not paying their workers’ UIF contributions.

“Some companies employ hundreds of people. If they put their employees’ contributions in the bank for just one month, interest amounts to a tidy bit, but they are in fact stealing from their employees,” he says.

The second most prevalent fraud is the interception of UIF cheques in the post.

Mr Larney says the police have caught several people involved in this type of fraud in the past two months.

He says people receiving benefits can protect themselves from this kind of fraud by not signing any documentation from anybody professing to be from the Department of Labour before they telephone the department to check.

Other steps being taken include controls within the department itself, and the issue by the UIF commissioner of a new employment card replacing the old employment “blue book”. Only one employer can be registered on the new card.

The department is also investigating the introduction of electronic payment methods for unemployment benefit.

“We’re trying to make going to the paypoints in the province a much smoother process, and we want to get rid of the queues,” says Mr Larney.

“We are not policemen, we are here to help people. We will deal with every claim in a humanitarian manner. We will be sitting with unemployment for a long time to come yet. We have made it our business to manage it properly.”
False claims deplete UIF

LENORE OLIVER

While many jobless people walk the streets of Cape Town, some employed people are creaming off the Unemployment Insurance Fund.

They have stolen millions through fraudulent claims, says Labour Department acting deputy director Nico Groenewald.

He estimates the loss nationally at more than R4.5 million so far this year.

But the department has vowed to crack down on illegal claims with the help of credit rating agency Information Trust Corporation which blacklists people who do not repay the stolen money.

The fund is for the sole use of the unemployed and people can draw benefits for up to six months.

Mr Groenewald said the problem was on the increase and that the department was determined to track down perpetrators.

"This sort of fraud runs into millions of rands every year."

"What happens is that people find jobs before the six months' claiming period is over but continue drawing benefits knowing it is illegal. We are intent on taking tougher action," he said.

Illegal claimants are caught when their applications, captured on the department's computer, are compared with employment records.

"Once the information is punched into the computer system we can pick up whether the person has drawn benefits while he or she was employed."

The department then sends letters to the culprits telling them to pay back the money they were not entitled to within 21 days.

If this fails, the person is listed with Information Trust Corporation and if no arrangement is made to repay the money the person is blacklisted.

Mr Groenewald said the department was taking tougher action and had also prosecuted people for fraud.
Long queues now include professionals as well as unskilled workers more claim from UIR as recession bites deeper
Minister says UIF is only tip of the jobless iceberg

FRANK NKUMALO

Johannesburg — People registered with the Unemployment Insurance Fund (UIF) represented only 13 percent of the unemployed total, Shepherd Mdladana, the minister of labour, said yesterday.

Mdladana was speaking following the release of the new quarterly Bulletin on Unemployment Insurance Fund Beneficiaries and Registered Job Seekers.

This bulletin replaced the monthly Bulletin of Registered Unemployed Statistics.

Mdladana said more than 200 000 unemployed people were registered with the UIF in February. Their numbers, which had been increasing over the past few years, were "placing a considerable strain on the fund," he said.

"The number of job seekers has also been increasing since the beginning of 1997. These figures indicate the magnitude of the challenge faced by the department as it seeks to restructure the UIF and the department’s Unemployment Services.

"A process of consultation and policymaking is already in motion to ensure that the department continues to assist those who register for UIF benefits and to improve its service to those seeking jobs in the formal sector, while also seeking ways to ensure the long-term sustainability of the fund," the minister said.
UIF claims, registrations at a record high

CAPE TOWN — A total of 209 987 people were registered as Unemployment Insurance Fund (UIF) beneficiaries in March this year, compared to 249 272 in the same period last year, according to the labour department’s quarterly bulletin.

The number of new registrations with the fund were at the highest level yet recorded, it said.

"This implies a very high level of job losses in late 1997 and early 1998."

The bulletin showed that the number of women registering for UIF benefits had increased steadily since 1995.

It also showed that a significant proportion of the people registering had completed at least 10 years of schooling.

Labour deputy director-general Les Kedlledas told Parliament’s labour portfolio committee on Tuesday one of the main challenges his department faced was a restructuring of the UIF.

"We need to introduce measures to improve employee access, financial viability and management accountability."

— Sapa.
Criminals defraud UIF of millions

FRANK NXUMALO

Johannesburg — Fraudulent claims on the Unemployment Insurance Fund (UIF) by crime syndicates operating mainly from outside the department of labour were costing the state "substantial amounts of money", which were difficult to quantify, the department of labour said yesterday.

The department said widespread fraud was undermining the sustainability of the fund and exacerbating the financial strain caused by rising unemployment claims.

Chris Mill, a UIF official, said methods included syndicates of company human resources officers selling stamps and blue cards based on "fictitious periods of service" to potential beneficiaries in exchange for a percentage of the claims.

"The fund... has no choice but to resort to drastic measures to ensure compliance with the law," said Shakes Mkhonto, the UIF commissioner.

"These include the prosecution of companies which fail to comply as well as publicizing the names of those companies."
Unemployment cover for public servants could cost govt Rs 4,000 cr a year

Ranjit Chawla
UIF fraud will no longer be brooked

Strict measures implemented to stop UIF rip-offs

THE DAYS of employers deducting Unemployment Insurance Fund (UIF) contributions from their employees and failing to forward these to the Fund will soon be over.
The Department of Labour is restructuring the UIF system to ensure employers comply – or face prosecution. A national campaign was recently launched to rid the system of fraud.

Anti-corruption measures to be introduced include the establishment of fraud prevention units who will investigate suspected fraudulent claims.

The department discovered that there were also some people who received unemployment benefits while employed.
A verification process to ensure that all information supplied by employers and employees is true will be put in place to stop false claims.

The UIF has created a toll-free number fraud number - 0800-601146 - to enable members of the public to report any fraudulent activity related to unemployment insurance.

UIF Commissioner Shakes Mkhonto has called on employers and employees to ensure that they comply with the provisions of the Unemployment Insurance Act.

He warned that those who failed to comply with the Act would be prosecuted.

"Fraud is undermining the Fund's sustainability and exacerbating the financial strain caused by rising unemployment claims," said Mkhonto.

He said the Fund had no choice but to resort to drastic measures to ensure compliance.

"These measures include prosecution of companies which fail to comply as well as publishing the names of these companies," he warned.

Another measure which has been introduced to curb fraud is the use of pay slips when claiming benefits.

Claims for benefits will be approved only when the applicant is able to submit a copy of his or her payslip.

This will show what salary the applicant received before becoming unemployed as well as the deductions of Fund contributions.

This measure has been introduced to prevent applicants from claiming benefits based on falsely inflated salaries.

In the absence of a salary advice, the applicant will be asked to submit a certificate of service from his or her employer proving that the applicant was a contributor to the Fund.

In the drive to clamp down on fraud involving UIF cheques, those applying for UIF benefits will also be asked to submit details of their bank accounts for the payment of benefits.

Finally, as from March 31 next year no application for UIF benefits will be accepted if the applicant does not have the new 13-digit barcoded identity document.

A report on the restructuring of the UIF will be released in the first week of next month.

The report was drawn up by a three-man task team mandated to investigate options for the Fund and report back to the Ministry of Labour.

New legislation governing the workings of the Fund has been in the pipeline for several years and the report could provide a basis for it to be drafted.

The current legislation is outdated and has many loopholes.
Wales to seek funds to battle out unemployment fund

(104)
Unemployment fund tightens up procedures

BY JOSEPH ARANES
Cape Town

Thousands of unemployed people now face another major hurdle in getting relief as the Unemployment Insurance Fund is radically restructured to eliminate fraud.

But the changes, including a decision to pay benefits only to people with bank accounts, will make it more difficult for the 60,000 beneficiaries who seek money from the fund every month.

The fund is fighting to remain fluid as millions of rand have been fraudulently claimed and hundreds of companies across the country are not paying in their contributions while still deducting money from their employees.

Workers who earn less than R7410 a month contribute 1% of their gross salary to the fund, and employers match that amount.

When unemployed, workers can qualify for relief, the fund paying out 45% of their last salary for a period of six months.

Last week, fund commissioner Shadrack Mkhonto issued directives to Labour Depart-
Fraud forces jobless into another pay battle

Jobless people face another major hurdle in getting relief with the implementation of radical changes to the Unemployment Insurance Fund to eliminate fraud.

The changes, including a decision to pay benefits only to people with bank accounts, will create more difficulties for the 50,000 beneficiaries who seek money every month.

The changes come as the fund is fighting to remain liquid because millions of rand are drawn from it fraudulently and hundreds of companies across the country are not paying contributions — although they are deducting the money from their employees' pay.

All workers who earn less than R7,410 a month contribute 1% of their gross salaries to the fund and their employers match the amount. The fund pays jobless people qualifying for relief 45% of their last salary for six months.

Last week fund commissioner Shadrack Mkhalisa issued several directives outlining the changes, which came into effect immediately.

In terms of these new claims may be approved if a person cannot produce a valid 13-digit identity document. All further payments on claims will be suspended until applicants submit new identity documents.

Beneficiaries unable to provide details of their bank accounts will not have their applications processed until they have opened accounts at banks or the post office.

Applicants whose employers have not paid their contributions to the fund for three or more months will be turned away. Applicants will be advised that their bosses are in arrears and that there is no proof that the applicants have been contributing.

Another major change, aimed at controlling the escalation in benefits, is payments every 20 days instead of the previous 28 days. This will mean nine slightly smaller payments instead of the previous six.

Yusuf Lamey, the Western Cape's deputy director of the fund, said the new measures were a serious attempt to eradicate fraud and safeguard the fund's beneficiaries.

"We are looking at new and innovative ways of reducing the amount lost to fraud..."
UIF pledge on rogue employers

ESANIE DE KOCK

People who can prove Unemployment Insurance Fund contributions have been deducted from their pay are entitled to claim, even if their employers have failed to pass on the payments.

This assurance was given by UIF commissioner Shadrack Mkhonto in a discussion of the new regulations designed to cut fraud.

Mr Mkhonto said people whose pay slips showed UIF payments had been deducted could submit claims.

All workers earning less than R7 410 a month have to contribute 1% of their pay to the fund and employers are supposed to match this.

Mr Mkhonto said the department was taking a tougher line with employers and individuals who abused the system.

The department is also imposing measures to ensure that UIF money reaches those who need it most and discussing the possibility of including domestic workers in the category of those eligible to claim UIF.

New move to root out life fraud
Any of these, if not integrated into the manufacturing process at an earlier stage, could lead to significant delays and additional costs. Therefore, it is crucial to consider these factors in the design phase to ensure a smooth and efficient production process.

The increased importance of design in manufacturing cannot be overstated. Design decisions at the early stages of the product development process can have a significant impact on the manufacturing process and the overall success of the project. This is particularly true in the case of complex products where the design must be carefully thought out to ensure that all components fit together correctly and function as intended.

In conclusion, the design of products and processes is a critical aspect of manufacturing. It requires careful planning and attention to detail to ensure that the final product meets the desired specifications and is produced efficiently. By integrating design considerations into the manufacturing process from the outset, manufacturers can create high-quality products that meet the needs of their customers and stay competitive in the marketplace.
UIF ‘may run dry by 2000’

CAPE TOWN — The Unemployment Insurance Fund (UIF) was in a “precarious” state and funds could dry up in the next two years, labour department director-general Sipho Pityana told Parliament yesterday.

Pityana and UIF commissioner Shadrack Mkhonto told the labour portfolio committee that provisional, unaudited figures for 1997 showed a loss of R224,854m.

The fund’s annual report said an actuarial appraisal by the International Labour Organisation forecast that the fund’s reserves would be depleted by the year 2000 unless something was done now to supplement the fund’s income and/or curb its expenditure.

Actuarial firm Alexander Forbes had therefore been appointed to advise the Unemployment Insurance Board, which oversees the fund.

Pityana said cabinet had already been told of the “precarious” situation, and the department intended to make a second report to cabinet after holding another meeting with the board soon.

The department was still studying the causes of the massive increase in payouts, Pityana said, but it seemed they were due to retrenchments.

Mkhonto also reported growing incidents of fraud. About 8,316 cases involving more than R400m were identified last year, but “that might be only the tip of the iceberg”, he said.
DROPPING FUND... A typical queue for the unemployment insurance fund. It is said that there are 2,3-million South Africans under the age of 30 without work. These people are draining the fund at an alarming rate.

UIF in revenue loss

The financially stressed Unemployment Insurance Fund (UIF) is losing unknown millions of rands annually through dishonest employers failing to pay, or deliberately underpaying, their fund levies, says a spokesman for the fund.

However, he told City Press that an intensified drive by fund inspectors launched earlier this year was expected to dramatically reduce the big revenue loss.

Meanwhile the fund is draining away at an alarming rate of more than R20-million a month.

The latest statistics reflect a still worsening unemployment crisis in the current bogged down economic climate.

They said there are 2,3 million South Africans under the age of 30 without work. Sixty-five percent of them have never had a job.

The funds current monthly income from the one percent levy on employers pay rolls and workers wages is averaging out at about R230-million.

A year ago the figure was R181-million.

Monthly payouts to the 970,000 beneficiaries has risen to R221,3-million, compared with R163-million a year ago.

A big gap has, therefore, opened up between income and benefit pay outs in the past 12 months.

In the 12 months period under review, according to the spokesman, the fund reserves dropped by R207-million to R738-million.

The fund is trapped between a levy income falling because of continued growth in unemployment, and rising benefits payout for the same reason.

However, says the spokesperson, there is no talk at this stage of raising levies.

Government's contribution to the fund is fixed at R7-million annually.

And although unemployment in the mining industry has not yet had a significant impact, the threat of increased lay-offs in the industry is causing concern.

Meanwhile World Bank economist, Peter Fallon, said in Johannesburg earlier this month that South Africa had to get its macro-economics and social fundamentals right to tackle the unemployment crisis.
Department of labour to prosecute officials for R70 000 in bad claims

The department of labour would prosecute three officials from its Northern Cape regional office for allegedly processing fraudulent Unemployment Insurance Fund (UIF) claims involving more than R70 000, a spokesman for the department said yesterday.

Samantha Henkman, the spokesman, said Martin Kenny, Pippa Brink and Joyce Harding would be charged with misconduct in terms of the provisions of section 17(2)(6) of the Public Services Act, 1999. “The department has received a statement from Brink admitting her involvement,” Henkman said. She said Harding had allegedly issued fraudulent cheques and received a reward of R1 500 from Kenny. Harding had admitted her involvement by signing a sworn statement, Henkman said.

Shadrack Mkhonto, the UIF commissioner, said the department would do everything in its power to clamp down on fraud and bring criminals to book. He congratulated all those who had made it possible for the three accused to be charged. — Frank Nkumisa, Johannesburg
Healthy state of affairs

Jovial Bantao
ET/20/5/98

The Compensation Fund reports a healthy financial state but warned that it would take tough action against employers who fail to report workplace accidents.

In a briefing to Parliament’s Labour Committee, Bongi Magojo, the acting Compensation Fund’s commissioner, said the government would take tough action against employers who failed to register with the Department of Labour and those who failed to pay assessments due to the fund.

Magojo said a total of 1,242 court orders were issued against employers who had failed to pay R8,2-million in assessments due to the Department of Labour.

“Several employers were penalised for various violations such as failure to report accidents return of earnings, late or non-rendition of earnings and non or late payments of assessments.

“The net yields from such penalties and interest payable amounted to R37,364,” Magojo said.

The primary role of the Compensation Fund — formerly the Workman’s Compensation — is to alleviate the plight of workers who get injured at work by making payments to such victims in accordance to a defined criteria.

Magojo also reported that there were unacceptable delays from employers in the reporting of injuries.
Violators of Workers Compensation Act pay up R37m

Action on negligent employers

FRANK NKUMALO
LABOUR EDITOR

Johannesburg — More than a thousand court orders were issued last year against employers who violated the Workers Compensation Act, yielding more than R37 million in penalties and payable interest, the department of labour said yesterday.

The department said 1 242 court orders had been issued against employers for failing to report accidents, incorrect return of earnings, late or non-payment of assessments.

The Compensation Fund annual report said total revenue was R1.6 billion, up 30.6 percent from R1.1 billion in 1996 and made up of assessments and interest levied on more than 200 000 registered employers.

The department said the number of compensation awards rose 5.69 percent from 97 339 to 102 879 because of the increase in medical awards, which constituted 86.34 percent of the total.

"The rise in hospital tariffs by 8 percent and private hospitalisation by 25 percent is of great concern as private hospitalisation takes up more than 40 percent of the total cost of medical aid for the fund."

"The department said it would reduce the amount of cash and cheques handled by its personnel, introduce timely debtor statements in addition to the usual final reminders and redesign the notice of assessment to include a deposit slip as measures of improving debt collection and reducing fraud.

"This allows employers to deposit their assessment directly into the fund's bank account," said Bonisi Magolo, the interim fund commissioner.

"This is not only good for the fund's cash flow, it also saves the employer the interest that he would otherwise have been charged while the cheque is in the post office before it is received by the fund.

"It also helps to reduce the possibilities of cheque fraud and avoid all problems experienced through the mail system."

She said compensation pensioners now had the choice to receive their benefits directly into their bank accounts or by cheque.
accident compensation

Here's the Lowdown on

[Image of a contact page with a message from the Hotline.]

Dial the Hotline number to get assistance with your accident compensation claim.
Johannesburg - Mass retrenchments expected this year will put a strain on the Unemployment Insurance Fund (UIF) but fund administrators are confident that they will cope.

UIF commissioner Shadrack Mkhonto said the fund was a going concern and will meet all its obligations to pay unemployment benefits.

Labour analysts were however sceptical: Gavin Brown, from Andrew Levy and Associates, said the fund would be severely taxed should 50 000 or 60 000 retrenched employees apply for benefits over a short period of time.

"For a number of years the claims have exceeded the contributions to the fund and this will continue until the fund is reviewed," Mr Brown said.

Contributions from employers and employees should be increased to enable the fund to ensure that the contributions it received and the benefits it paid balanced, he said.

In the interim the fund was probably making up some of its shortfall from decreased pressure to pay out maternity benefits as more companies offered paid maternity leave to employees, Mr Brown said.
UIF loses millions to fraud

By Mzwakhe Hlangan
Labour Reporter

The transformation of the Unemployment Insurance Fund, which lost about R140 million last year through fraud, requires the creation of a wider social security framework and integration with broader economic policies, organised business, labour and experts have recommended.

A comprehensive report by the task team commissioned by Labour Minister Mf-Mthathisi Mdladlana, also took note of the impact of the apartheid era on the labour market and the UIF.

It also recommended the establishment of a national contributor database which would improve significantly the fund’s ability to eliminate fraud and abuse by both employers and employees.

The study found that the current structure and regulations of the UIF, designed in the apartheid era, were inappropriate in the new dispensation and not financially sustainable.

Speaking on the release of the report in Pretoria yesterday, Mdladlana stressed: “The current law is outdated and manifest a number of shortcoming which hamper effective administration and management of the fund, given the impact of economic restructuring and the legacy of structural unemployment.”

He also decried the high rate of non-compliance by “unpatriotic employers” who also took advantage of weak litigation procedures and pressures on the justice system.

Unemployment benefit payouts exceeded contributions by more than 50 percent. For example, reserves were run down rapidly to cover deficits: from R1.14 billion in 1991 to R960 million in 1992 and to R403 million in 1993.

By 1995 the fund had started to recover but fell to R600 million this year, UIF commissioner Mr Shadrack Mkhonto said.
Steps have reduced the fund's overdraft by R110m

Minister takes drastic measures to rescue UIF

CT(MR) 412/98 (301)

FRANK NXUMALO

Johannesburg — Drastic short-term measures had been introduced to ensure the continued viability of the Unemployment Insurance Fund (UIF), Mcebathli Mdhlana, the minister of labour, said yesterday.

He was speaking at the release of a report on the restructuring of the UIF.

From now until the end of 2001, new identity documents would not be accepted and beneficiary cheques are non-negotiable.

Measures also include single-entry blue cards and the requirement of additional documents such as service certificates.

The services of the Credit Bureau have also been engaged in the collection of arrears contributions from employers.

"These measures have brought some stability in the interim and have contributed to a reduction in the fund's overdraft from R160 million to R50 million," said Mdhlana.

The minister said that at present, the UIF was characterised by a loyal and highly protected labour force.

Shadrack Mkhonto, the national UIF commissioner, said South Africa no longer enjoyed a "patriotic employer contributor base" but rather consisted of a combination of employers who were no longer patriotic and an emerging black elite that had a "history of boycotts".

The fund would also have to cover high-income and domestic workers, which was not viable.

The report recommended that the fund retain its status as an unemployment assistance scheme and that it should "not be focused on becoming an unemployment insurance scheme."

Regarding UIF coverage, the report recommends that coverage be extended to all workers, with minimal exclusions.

"Specifically, it is recommended that UIF coverage be extended to domestic workers, high-income workers and civil servants."

Mkhonto said a figure of R100 000 a year had been recommended as the ceiling for high-income earners and that maternity and unemployment benefits should be separated as a way of removing gender discrimination from the UIF.

In addition, the report proposes a minimum benefit of R300 and a maximum of R2 240 a month.
Jobless fund to extend to bosses

Public servants also included in task team's proposals

Renee Grawitzky

ALL employees, including chief executives, will be liable for contributions to the Unemployment Insurance Fund if proposals by a government-appointed task team are implemented.

The call to extend coverage of the fund — and by implication the obligation to contribute to the fund — to public servants, domestic workers and higher-paid employees is among a range of recommendations to improve the fund's viability.

The task team is made up of Ravi Naidoo representing labour, Barry Shipman representing business and Charles Mood for government.

The recommendations — aimed at restructuring the fund — could impose additional costs on private and public sector employers.

The inclusion of high-income earners could assist in spreading the costs of unemployment insurance more widely.

The report recommends a change in the benefit structure to grant higher benefits to lower-paid workers. The fund now pays out 45% of the applicant's last salary, but the report calls for a graduated benefit schedule ensuring that lower-paid workers receive 70% of their last salary to 35% for higher paid employees.

The report also calls for a minimum benefit of about R200 to a maximum of R2 240 a month.

The long-awaited report — compiled in December 1996 and released by the labour department yesterday — also aims to guide the department in drafting a new unemployment insurance act. The two-year delay in circulating the report for comment has been attributed to the fact that negotiations on other legislation took longer than expected and the department did not want to flood the market with legislation.

Sources said there was strong resistance within government to extending cover to public servants because of the cost implications, which could run into billions. In contrast, the report said "contributions from government workers would go a long way towards solving the fund's perennial financial difficulties."

The calculation of benefits and contributions for high income earners would be based on a possible ceiling of R130 000 and not on a percentage of actual salary. The report did not recommend a change in the present contribution of 2% of salary, shared equally between employers and employees. The department said it was unlikely that these parties would be agreeable to an increase in the figure.

The release of the report coincides with moves by government to ease the fund's financial pressures. In July, the fund suffered a shortfall of up to R100m. Labour Minister Shephard Mdladlana secured a cabinet guarantee that the fund could access loans of up to R600m. At the time, the fund was running at an overdraft of between R120m and R165m.

Fund commissioner Shakes Mkhonto said yesterday the fund's overdraft was down to R44m. This could be partly attributed to the fact that the fund broke even in September and October for the first time this year. In addition, a range of measures had been put in place to combat corruption and ensure compliance by employers.

Mkhonto said the R600m facility would keep the fund going until the new legislation came into effect, but a rise in retrenchments and unemployment could alter the scenario.

Other recommendations include establishing a national database to keep individual contributor records to reduce fraud and improve the funds' administration, and separating maternity and unemployment benefits.

The task team was required to make recommendations on a national policy on unemployment coverage including unemployment insurance and unemployment assistance. The team concluded that national unemployment coverage was not the domain of the fund alone.
Changes to unemployment fund envisaged

Reneé Grawitzky (301)

EMPLOYEES who become unemployed as a result of their own misconduct or resignation could be required to wait up to three months to collect maternity benefits.

This is among a number of wide-ranging proposals made by the labour department in a report on the restructuring of the Unemployment Insurance Fund (UIF).

The report, compiled by a tripartite task team appointed by government in 1996 and released on Thursday, also called for the abolition of the 13-week prescription period for which benefits could be claimed. The current UIF act provides that to be eligible to claim unemployment insurance, a person must have worked for 13 weeks in the past 52.

The task team instead proposed that credits should be built up in the four years preceding a claim for benefits at the rate of one week’s benefits for each six weeks’ employment as a contributor, subject to a maximum of six months’ benefits a year.

One of the report’s most controversial recommendations has been to extend the act’s coverage to high-income earners, public servants and domestic workers.

It also proposes that the fund and labour department arrange with local authorities and the SA Revenue Service to collect contributions.
MINISTER of Labour
Membathisile Mdladla
this week released the
report on the
restructuring of the Unemployment
Insurance Fund (UIF) for public
comment.

The release of the report marks
the beginning of a new chapter for
the fund.

It comes after a process initiated
by the Department of Labour four
years ago after the fund was
identified as a key policy area that
needed restructuring.

The current law governing the
UIF is outdated and has a number of
shortcomings which hamper the
effective administration and
management of the fund.

Launching the report, Mdladla
said the law had been found wanting
with regard to its provisions for
enforcement and compliance, and
had given employers the scope to
avoid compliance.

Secondly, the fines and penalties
imposed on employers who failed to
comply with the law had been
inadequate deterrents.

This was worsened by a low level
of successful prosecutions in a
justice system which had a
tremendous workload.

He said the law had expanded
coverage in a non-viable manner.

"Large numbers of low income
earners with a high risk of
unemployment have been included,
while those with a low risk of
unemployment and a potential
high-income source for the fund
have been excluded," he said.

He said as a result of massive
unemployment the fund found it
difficult to continue operating.

"The result of this has been a
drastic decline in contributions
and therefore the income base of
the fund has been affected," he said.

There has also been an increase
in the number of applications for
unemployment benefits."

He said the high rate of non-
compliance by employers, who take
advantage of weak litigation
procedures and pressures on the
justice system, was being
addressed immediately.

"The establishment of a
comprehensive and national
contributor database will also
significantly improve the fund's
ability to eliminate fraud," he said.

Mdladla said in order to
ensure the continued viability of
the fund, drastic short-term
measures had been introduced.

These included the non-
acceptance of temporary
identification documents and
making beneficiary cheques
non-negotiable.

The Credit Bureau (ITC) had also
been collecting arrear
contributions.

He said these measures had
brought some stability in the
meanwhile and have contributed to
a reduction in the fund's overdraft
from R180 million to R50 million.