HANSARD 4 Q. column 273-4
25 February 1975.

1975 — 1976

(1) ~~2 s 7~~

(2) Social Soc - Pensions

Government Service Pension Fund

*29. Mr. T. G. HUGHES asked the Minister of Social Welfare and Pensions:

(1) What was the value of the capital assets of the Government Service Pension Fund at the latest date for which figures are available;

(2) what is (a) the amount of interest earned annually, (b) the annual contribution (i) by public servants and (ii) from the Consolidated Revenue Fund and (c) the amount annually paid as (i) pensions and (ii) gratuities.

The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

The hon. member is referred to Part III of the Report of the Controller and Auditor-General for the Financial Year 1973-'74 at pages 520 and 521 where the information called for is published for general information.

HANSARD 4 Q. column 300-301
27 February 1975.

Homes for aged White persons

132. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) (a) How many homes for aged White persons are there in the Republic and (b) how many persons are at present accommodated in such homes;

(2) what *per capita* amount is paid as a subsidy to welfare organizations in respect of each category of aged persons accommodated at such homes.

286

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) (i) 311 registered homes.

(ii) 8 State homes which include 4 homes administered on behalf of the State.

The number of aged persons accommodated varies from day to day. Provision is, however, made for 18 291 beds in the case of the homes referred to in (a)(i) and 635 beds in the case of the homes referred to in (a)(ii).

(2) The following subsidies are payable to State-aided homes with effect from 1 January 1975:

(a) Normal aged persons—R6-00 per month.

(b) Infirm aged persons R31-50 per month.

(c) Infirm aged persons where regular nursing services are available -R52-00 per month.

(d) Extremely infirm aged or chronic sick persons—R73-00 per month.

HANSARD 2 Q. column 80-81.

11 February 1975

Soc-Sec Pensions

Contributory pension scheme

*24. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) Whether his Department is investigating the possibility of introducing a contributory pension scheme in the Republic; if so, (a) what are the terms of reference for the investigation and (b) what steps have been taken or are contemplated in furthering the objects of the investigation;

(2) whether other Government departments are involved in such investigation; if so, which departments; if not, why not;

(3) whether a report will be published after the conclusion of the investigation.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

I wish to refer the hon. member to the statement made by me in this House on 10 October 1974. Please see Hansard columns 5089 and 5090.

At this stage I have nothing to add to that statement except to say that my Department is at present engaged in the preliminary work of the investigation, that good progress has been made therewith and that a decision on the final form which the investigation is to take will be made at a later stage.

(2) and (3) fall away.

Mr. L. G. MURRAY: Mr. Speaker, arising out of the reply of the hon. the Minister, can it be accepted that the Cabinet has approved in principle of a contributory pension scheme?

†The MINISTER: The principle is as I have put it in the statement, namely that we are making investigations on the basis of the possibility that the employer as well as the employee will contribute, but that no contribution will be made thereto on the part of the State.

HANSARD 5

Q. column 379.

4 March 1975.

286

Homes for aged Indians

134. Mr. G. N. OLDFIELD asked the Minister of Indian Affairs:

(1) (a) How many homes for aged Indian persons are there in the Republic and (b) how many persons are at present accommodated in such homes;

(2) what *per capita* amount is paid as a subsidy to welfare organizations in respect of each category of aged persons accommodated at such homes.

The MINISTER OF INDIAN AFFAIRS:

(1) (a) 2.

(b) 57.

(2) R3-50 per month in respect of ordinary cases. R19-00 per month in respect of infirm persons.

HANSARD 6

Q. column 463

12 March 1975.

Social-Sec - Pensions

Homes/subsidies for aged Coloured persons

133. Mr. G. N. OLDFIELD asked the Minister of Coloured, Rehoboth and Nama Relations:

(1) (a) How many homes for aged Coloured persons are there in the Republic and (b) how many persons are at present accommodated in such homes;

(2) what *per capita* amount is paid as a subsidy to welfare organizations in respect of each category of aged persons accommodated at such homes.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

(1) (a) 15.

(b) 1 170.

(2) Ordinary cases: R3-50 per person per month.
Infirm cases: R19-00 per person per month.

HANSARD 4 Q. column. 505.
14. March 1975.

Social - See. Pensions

MONDAY, 17 MARCH 1975

| Indicates translated version.

For written reply:

Homes for aged Bantu persons

135. Mr. G. N. OLDFIELD asked the Minister of Bantu Administration and Development:

(1) (a) How many homes for aged Bantu persons are there in the Republic and (b) how many persons are at present accommodated in such homes;

(2) what *per capita* amount is paid as a subsidy to welfare organizations in respect of each category of aged persons accommodated at such homes.

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT:

(1) (a) Homes for physically able aged —13.
Homes for debilitated aged and others—11.

(b) Homes for physically able aged —1 103.
Homes for debilitated aged and others— 1 152.

(2) The Homeland Governments are responsible for the payment of subsidies in their respective homelands and the present subsidy payable in respect of homes for the physically able aged is R0-40 per inmate per day. In addition to the said subsidy the agents who manage the homes are entitled to R10-25 per month of the old age pension of each inmate.
The subsidy in respect of homes for the debilitated aged and others is according to information available, R1-50 per person per day.

HANSARD 4 Q. columns. 507-8.
17 March 1975.

286

Homes for elderly/infirm along False Bay coast: Tourist accommodation

166. Mr. J. W. E. WILEY asked the Minister of Tourism:

(1) Whether consideration is being given to the loss of tourist accommodation caused by the conversion of former hotels along the False Bay coast into homes for the elderly and infirm; if so,

(2) whether any steps will be taken to protect the tourist industry; if not, why not.

The MINISTER OF TOURISM:

(1) No consideration is being given to the matter. The provision of accommodation for tourists is in the hands of private enterprise in the tourist and hotel industry which provides such accommodation on the principle of supply and demand for maximum return against services rendered. If it is more lucrative to convert hotel accommodation into homes for the aged as the case appears to be along the False Bay coast then there is nothing that the authorities can do to dissuade accommodation establishments from such action.

(2) Falls away.

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Question.....
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HANSARD 8 25 MARCH 75

Q COLUMN 589

Social - Pensions

Sea Point-Green Point: Home for the aged

*3. Mr. R. J. LORIMER (for Mr. C. W. Eglin) asked the Minister of Social Welfare and Pensions:

Whether a home for the aged is to be established in the Sea Point-Green Point area with the assistance of his Department; if so, (a) where, (b) when will construction be (i) commenced and (ii) completed and (c) for how many aged persons will accommodation be provided.

†The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

Plans for the erection of such a home have been approved by my Department. My Department does not provide financial assistance towards the building costs of the home in question.

(a) Sea Point.

(b) (i) and (ii) Unknown. My Department has no control over the commencement and completion of the building operations.

(c) 159.

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Question Q. Columns 712–713.
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16/4/75

X **Pensions for Whites/Chinese**

205. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) How many (a) White and (b) Chinese persons were at the end of 1974 in receipt of (i) old age, (ii) blind persons', (iii) disability and (iv) war veterans' pension;

(2) how many of the (a) White and (b) Chinese pensioners were receiving the maximum amount payable in respect of each category of pension;

(3) what was the average annual amount paid per person during 1974 to (a) White and (b) Chinese persons in receipt of each category of pension;

(4) what will be the maximum basic pension payable per annum to (a) White and (b) Chinese persons in respect of (i) old age, (ii) blind persons', (iii) disability and (iv) war veterans' pension in terms of the Budget for the financial year 1975-'76;

(5) (a) what will the maximum free income allowed per annum to qualify for the maximum social pension to be paid to (i) White and (ii) Chinese applicants and (b) what will be the means plus pension limitation in each case.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1)	(a)	(b)
	(i) 128 645	24
	(ii) 853	—
	(iii) 24 416	12
	(iv) 15 735	—

(2)	(a)	(b)
	(i) 118 234	24
	(ii) 749	—
	(iii) 23 193	10
	(iv) 13 794	—

(3)	(a)	(b)
	(i) R649-89	R305-50
	(ii) R601-45	—
	(iii) R605-33	R357-21
	(iv) R750-96	—

(4)	(a)	(b)
	(i) R768	R408
	(ii) R768	R408
	(iii) R768	R408
	(iv) R888	R468

(5)	(i)	(ii)
	(a) R504	R252
	(b) R1 272	R660

Social Sec. – Pensions

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HANSARD 10

Question Columns 713 & 714
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16/4/75

286

Pensions for Indians

207. Mr. G. N. OLDFIELD asked the Minister of Indian Affairs:

(1) How many Indian persons were at the end of 1974 in receipt of (a) old age, (b) blind persons', (c) disability and (d) war veterans' pension;

(2) how many of the Indian pensioners were receiving the maximum amount payable in respect of each category of pension;

(3) what was the average annual amount paid per person during 1974 to Indian persons in receipt of each category of pension;

(4) what will be the maximum basic pension payable per annum to Indian persons in respect of (a) old age, (b) blind persons', (c) disability and (d) war veterans' pension in terms of the Budget for the financial year 1975-'76;

(5) (a) what will be the maximum free income allowed per annum to qualify for the maximum social pension to be paid to Indian applicants and (b) what will be the means plus pension limitation in each case.

The MINISTER OF INDIAN AFFAIRS:

(1) (a) 12 075

(b) 193

(c) 10 378

(d) 165

(2) Approximately 96%.

(3) (a) R311-10

(b) R305-57

(c) R318-04

(d) R382-59

(4) As from 1 October 1975

(a) R408

(b) R408

(c) R408

(d) R468

(5) As from 1 October 1975.

(a) R252

(b) R660

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Sun Times 30/4/75

286

By TONY STIRLING

THE REGISTRAR of Pensions, Mr J. W. Louw, has asked the Joint Municipal Pension Fund (Transvaal) — which has 10 000 members — for information on the granting of a R1,7-million bond to a company in the collapsed Repcar Holdings group of companies, following a report in the SUNDAY TIMES.

The SUNDAY TIMES reported the granting of the bond on April 6.

In an interview this week, Mr Charles van Bergen, a director of Repcar Holdings, told me that negotiations for the bond were going on while the company was facing liquidation proceedings.

The loan, which was being sought by Bree Holdings (Pty) Ltd — one of the Repcar Holdings group of companies — was negotiated subject to the provision that the company should first come out of liquidation.

Mr Van Bergen said that the builders involved in the project had brought liquidation proceedings against Bree Holdings. A business associate of Mr Walter Pugh, one of the principals in Bree Holdings, had intervened financially through one of his companies. As a result of a compromise, Bree Holdings had been brought out of liquidation.

The Rand Supreme Court this week granted a provisional order for the recovery by the Joint Municipal Pension Fund (Transvaal) of interest and capital amounting to R413 514,23 from Bree Holdings.

A provisional order was also granted for the payment of 12 per cent interest a year on the amount in question, R359 000 of which was the first instalment of the R1,7-million building bond signed in September 1974.

Acquired

Three Bree Holdings properties in Bree Street, Johannesburg, were subject to a provisional order making them executable.

Mr Van Bergen told me that negotiations in which he had taken part had already proceeded with the Joint Municipal Pension Fund (Transvaal) for the building bond and had been concluded in the second half of 1974.

He said that previously Bree Holdings had acquired a series of loans of a similar nature. The last had been from the Iscor Pension Fund.

"The full amount, if I recall correctly, was for R1,3-million, of which about R300 000 had already been advanced. At that stage there was an investigation into the Iscor Pension Fund."

Iscor, he said, had apparently been unhappy about its investment in Bree Holdings, and the total amount of its case not sufficient to complete the envisaged Bree project.

The Joint Municipal Pension Fund (Transvaal) had then advanced the amount of about R360 000 to liquidate the loan taken from the Iscor Pension Fund.

"There was a second bond holder, Modern Leasing, which agreed to allow the Joint Municipal Pension Fund to assume the position of first bond holder — a position which had previously been held by the Iscor Pension Fund — because the fund was only prepared to participate on this basis," said Mr Van Bergen.

He said that the remainder of the R1,7-million building bond was to have been advanced for building costs as the project developed. "Apparently no further development took place since there appears to have been no more money forthcoming from the pension fund.

"The bond, as I recall it, was to run for 20 years, with repayments of interest only for the first two years and capital repayments over the last 18 years" he said. He was not aware if interest had been paid over the period the bond had been running.

One of the court documents indicated that interest on the original advance of R359 000 had been accumulating since the inception of the bond.

The spokesman for the Registrar of Pensions office said that pension fund trustees were obliged to take certain precautions in respect of investments,

(286)

Bigger pensions urged for black ex-soldiers

GRAHAMSTOWN — A member of the national executive of the South African Legion has opposed a resolution at the legion's congress here that the means test for persons over the age of 70 seeking to qualify for war veterans' pensions be scrapped, saying that the war veterans' pensions paid to blacks and Coloureds should first be brought more in line with the figure paid to whites.

The support for the blacks and Coloureds came from Mr Andrew Hemp, who said earlier the legion was happy that blacks who served in the last war had eventually been granted war veterans' pensions. He praised the United Party for its role in pushing the issue with the assistance of the legions' executive.

He attacked the discrimination regarding the different means tests applicable to ex-servicemen of different races and the wide powers of discretion given to Bantu Affairs Commissioners in deciding whether a black would be paid such a pension.

He pleaded that greater annual increases be given to Coloureds than to whites.

The Durban branch of the legion proposed that the means test for war veterans over the age of 70 be scrapped. If this was approved by the Government it would mean that any veteran irrespective of means could draw a veterans' pension if he was over the age of 70.

The proposer, Mr P. Graham, said that while some wealthy men would benefit, there were far more struggling ones who needed the abolition of the means test. He said the means test has not been revised for three years.

Opposing the resolution, Mr Hemp said there were more important items to consider. There was still the excessive difference between the pension paid to whites and Coloureds and there were limited government funds available for payment of pensions.

"We should not press for abolition of the means test until our Coloureds and black comrades get reasonable pensions when they reach an advanced age.

"We could also ask that the war veterans' special allowances be increased to help the totally destitute whites," he said.

Mr Graham's resolution was carried by three votes.

Earlier, the Deputy Minister of Social Welfare and Pensions, Mr H. H. Smit, announced to the congress that he had directed his department to undertake a complete revision of the War Pensions Act.

He said the administration of the Act could and should be drastically simplified.

"In addition, I think that the benefits payable under the Act need revision and although it is naturally not possible at this stage to indicate that improvements, if any, could be effected to those benefits, we will certainly in the process of revision have a good look at the benefits," Mr Smit said.

He added that beneficiaries under the Act were in some respects better off than some pensioners under certain contributory pension schemes.

He said not enough publicity was given to the fact that an ex-serviceman suffering from a disablement as contemplated by the Act was entitled to free medical, surgical and hospital treatment. — DDC.

TUCSA LABOUR MIRROR - ~~JUNE 1975~~ APRIL 1975

A National Contributory Pension Scheme?

THE MINISTER OF SOCIAL WELFARE AND PENSIONS HAS ANNOUNCED THAT A DEPARTMENTAL TEAM HAS COMMENCED AN INVESTIGATION INTO THE FEASIBILITY OF ESTABLISHING A NATIONAL CONTRIBUTORY PENSION SCHEME FOR SOUTH AFRICA. THIS INVESTIGATION IS HEARTILY WELCOMED BY ORGANISED LABOUR, AND GOVERNMENT MUST BE COMPLIMENTED FOR FINALLY TAKING THIS IMPORTANT STEP, FOLLOWING UPON CONSISTENT REPRESENTATIONS BY TUCSA OVER THE YEARS.

ALL parties concerned with pensions undoubtedly realise that many difficult problems and many issues of principle will have to be tackled, before a concrete and workable plan for a National Contributory Pension Scheme can become a reality.

TUCSA believes that any apparent conflict of interests can be resolved, if all concerned refrain at this stage from taking unduly entrenched positions.

THE Council's Officers' Committee, in the expectation that TUCSA will be asked to give evidence to the committee investigating this matter, has already decided that TUCSA's National Executive Committee will have to examine this matter very closely, in order to determine TUCSA's policy in this regard.

A full discussion relative to establishing the Council's views and compiling planned evidence to this investigation, will thus take place at the next meeting of the National Executive Committee.

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HANSARD 12 Q 849-50 851-2
29 April 1975.
286

For written reply:

War disablement pensions

278. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) (a) How many (i) White, (ii) Coloured, (iii) Indian and (iv) Bantu persons are at present receiving war disablement pensions in terms of the War Pensions Acts and (b) how many of these persons are (i) widows and (ii) other dependants;

(2) how many of these persons are receiving such pensions in respect of service rendered during (a) the 1914-'18 war, (b) the 1939-'45 war, (c) the Korean war, (d) Citizen Force duties and (e) any other duties;

(3) what is the present (a) minimum and (b) maximum amount of basic war disablement pension payable in respect of (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Bantu.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

			(i)	(ii) and (iii)	(iv)
(1)	(a)		12 272	2 151	1 220
	(b)	(i)	3 220	733	618
		(ii)	694	73	87

		(i)	(ii) and (iii)	(iv)
(2)	(a)	872	22	—
	(b)	10 944	2 129	1 220
	(c)	9	—	—
	(d)	409	—	—
	(e)	38	—	—

(3) The basic war disablement pension payable to volunteers are:

(a) (i) R10-80 per month.

(ii) and (iii) R5-40 per month.

(iv) R2-70 per month.

(b) (i) R54-00 per month.

(ii) and (iii) R27-00 per month.

(iv) R13-50 per month.

Statistics are not available in respect of Coloureds and Indians separately.

Bigger pensions soon but inflation

THE PRICE OF LIFE ...R11

Gertrude Bezuidenhout: Can't manage

Jane Muthukrishna: God will provide

Louisa Erasmus and husband: Worse than bad

Flora Msomi: I start suffering

eats the benefits

William Msomi: Putu and beans

Josephine Mkize: I walk on my knees

Mdleke Mungwe: Kwashiokor child

You try living on this cash, challenges fasting priest Russell

David Russell
... hopeless

IF THE PEOPLE who set the pensions for Africans had an inkling of what it was like to live on such small amounts then they would not have the audacity to put forward these figures for others.

This is the view of the Rev David Russell, the Anglican priest who lived on an average African pension of R5 a month for six months in 1972.

He was protesting against conditions at Dimbaza resettlement camp and wrote vivid letters of his experiences to the Minister of Bantu Administration and Development.

Since then, African pensions have more than doubled to a maximum of R11,25 a month.

But with food costs alone increasing by up to 17 percent annually in the past three years, most of the increase has been swallowed up.

Mr Russell, who is chairman of the Board for Social Responsibility in the Anglican Diocese of Cape Town, said pensions were not sufficient to cover the cost of food, let alone clothes, transport, hospital fees and so on.

"The people who set the pensions are assuming that the vast majority of old people in this country don't need clothes, don't need blankets, don't need to buy fuel.

Hopeless

"One wishes they would try living on these pensions to get some limited idea of what they are imposing on others.

"With their daily bread forever receding away from the price they can afford, pensioners feel so utterly hopeless, so utterly the victims of circumstances.

"One hears so many stories about encouraging tremors of change in this country, but when it comes to the realities of life for the poor, things are getting worse."

Speaking on the increases in social pensions which are to come into effect in October, Mr Russell said while he was pleased that pensions were going up "it is an appalling fact that the gap between the pensions of different races is actually going to be increased."

Painful

Mr Russell said this gave the lie to a statement by Mr Pik Botha that discrimination purely on the grounds of race was not condoned.

"The Government is actually increasing discrimination in an area that affects a large and helpless part of our population."

Mr Russell said it was painful for pensioners to have to rely on charitable handouts.

"It's humiliating for them to have to beg for help. It's an undermining factor in their lives which makes them feel at a disadvantage in their relationship with others.

"Handouts are not the solution to social problems. The Government should set out to close the gap between Black and White pensions. This discrimination cannot be justified on a Christian basis."

A Tribune investigation by LINDA VERGNANI

a month for tending a neighbour's baby and Mr Mungwe earns extra by cutting grass and doing odd jobs.

There is still not enough money to buy clothes.

● William Msomi supplements his social pension by breeding chickens. He sells them for R1 to R2 each.

He eats one himself every two months. He and his wife live mainly on porridge, putu and beans. When they buy meat it is offal.

In the Indian and Coloured areas, the lot of pensioners is a little easier. They get pensions above the breadline, but they have been hard hit by price increases.

● Mr H. Roberts (96) and his wife, Maria (80), were once well-to-do. They had a house in Pietermaritzburg but the area was proclaimed White under the Land Tenure Act.

No savings

Said Mr Roberts: "We lost everythng. We had to sell and go. Now, if it wasn't for our pensions I don't know what would happen. We have no savings left and things are increasing in price day by day."

Mr Roberts said he and his wife receive R23,50 a month each. They pay R9 a month rent and get free medical treatment.

They also got free milk from The Daily News Milk

Lena and James Nyama ... she keeps him going

Who's taking all the money? asks old James in despair

JAMES NZAMA is shrunken with age.

When he was younger he saved each month for his retirement. Now his money has run out and he no longer cares about death.

"It is no good to stay in the world," he says. "I cannot get what I need. There is no satisfaction."

A dignified man, he lives in a tiny two-roomed cottage in KwaMashu with his wife, Lena.

A smell of rancid fat hangs in the dark bedroom. The walls are grimy and Lena says there are lots of bugs.

She is so old that her eyes have turned misty-blue. Her crinkled grey hair is piled 20 centimetres high on her head and when she smiles one notices that her teeth are stained nicotine yellow by decades of use.

She keeps James going. She scolds him, clowns with him and speaks of their years and years together.

But James gets more despairing.

"I put money in the bank when I worked. It's all gone. Who is going to help me? Who's taking all the money, where is all the money going?"

He says they have applied for a pension but have received only food parcels containing mealie meal, samp, beans, sugar and a little fat.

James clutches his stomach and says "There is something hauling me down. Something is pulling me down all the time. There is no pain, but it wants to pull me down. Who will help me?"

"For a long time I have had nothing fresh in my stomach, nothing good. No fruit, no vegetables . . . I like fresh food. I don't know where to get it. I don't know who can give it to me?

A social worker said they now receive regular food parcels and would soon be moved to a welfare camp. He would investigate why they had not yet received a pension.

• Miss Jane Muthukrishna, a sprightly 74-year-old, ran out of money last week. Paid a pension of R29,50 a month, she said: "I am absolutely broke, but God will provide, don't you think so?"

A former nurse, she relies on God to help her if she runs out of food. She says she prays and someone usually arrives to answer her prayer.

• Mrs Violet Matthys (72) lives with Miss Gertrude (Granny) Bezuidenhout (80) in a sub-economic council house in Wentworth.

"I don't think we could manage without a little help from the Benevolent Society," said Mrs Matthys. "They give granny and me a R6 box of food each every month. And we also get clothes from them once a year."

• Mr Armstrong Fynn (81) and his wife, Mitta (68), have to support their epileptic granddaughter on their R23 a month pensions.

Candles

Mrs Jennifer Williams, an ex-neighbour said: "They can't even use the lights now because they wouldn't be able to pay the bill. They have to use candles."

For White pensioners, the main problem is accommodation. They are lucky if they can find it for under R30 a month.

Some, like veteran demonstrator Miss Gladys Lee, live in the servants' quarters of newer buildings.

• Mr D. J. Erasmus (68) lives with his 82-year-old wife, Louisa, in a rambling old building in West Street. They pay R49 a month rent for one room plus a partly enclosed balcony.

"Things are worse than bad," he said. "We never grouse as long as we can live. But today it takes a hell of a lot to live.

"We never go nowhere. There's just a little food in the house. We have a couple of rusks for breakfast and a proper lunch, but no supper. You've got to save somewhere.

Help

"We get a lot of help from TAFTA. They give us a food parcel, which I really appreciate. Without that a person can't live."

• Mrs HP, who gets a pension of R54 a month, said she has to think twice before buying fresh food.

"I've been trying to save but it takes me every penny to live. I get help from the Durban Benevolent Society, but with these rent increases I think I will have to try finding a job."

Mr Oldfield said: "I get about 10 letters a day from pensioners and almost every one writes that their standard of living is decreasing continually as the price of basic commodities goes up. Up to 70 percent of their income goes on food and rent.

"If they are going to retain their health they have to pay more for food and skimp on other essentials."

The introduction of a national contributory pensions scheme would help eliminate discriminatory pensions. People would be paid on the basis of wages instead of race.

Meanwhile the Government should work towards narowing the gap between the pensions of different races, he said.

FOR thousands of old people the rising cost of living has spelt disaster.

Their life-savings exhausted, they are forced to exist on social pensions alone, pensions so low that to stay alive many have to rely on charity.

"Without aid from charitable organisations many would die from lack of nourishment," says Mr Geoff Oldfield, United Party spokesman on welfare and pensions.

Hardest hit are the Black pensioners. Whites receive a maximum social pension of R57 a month, Indians and Coloureds get a maximum of R29,50 a month and Africans only R11,25 a month.

Swallowed

In October pensions are to be increased to a maximum of R64 a month for Whites, R34 for Indians and R15 for Africans — but these increases are likely to be swallowed by rises in the cost of living before they come into effect.

A survey by the Bureau of Market Research of the University of South Africa shows the cost of living in Black areas has risen by 20 percent in the past nine months. Since the pension increases were announced this month there have been big increases in the cost of milk and maize.

Breadline

Figures prepared for the Sunday Tribune by a University of Natal economist show that now pensions of at least R24,29 a month are needed if old people are to make ends meet.

Africans are being paid less than half this.

The economist, Mr G. Pillay, research fellow in the Department of Economics at Natal University, said pensioners should get between R25 and R30 a month to live above the breadline.

He calculated that a subsistence-level income for a pensioner in Durban is R24,29 a month. This would provide the [illegible] possible level of living acceptable by Western standards.

Basing the figures for food on rations calculated by the Department of Health for people over the age of 55, Mr Pillay said food would cost a minimum of R10,52 a month. This would allow a nutritionally sound diet.

Accommodation, transport, clothing, cleaning materials, fuel and lighting would cost R8,50. This would bring the total for necessities to R19,02 a month.

At least R5,37 a month should be added for supplementary items: medical expenses, extra transport fees, church funds, tobacco and spirits and miscellaneous items such as postage stamps, writing material and entertainment.

Goodwill

Mr Pillay said the pension for Africans was most inadequate.

"The only way pensioners are able to keep body and soul together is by relying on the goodwill of their relatives, friends and others. It would alleviate their dependence to some extent if they were paid social pensions of between R25 and R30 a month."

African pensions are paid out bimonthly — instead of each month as for other race groups — and many old people find their money runs out before the end of the first month. In some townships, African pensioners get free accommodation but even so they have to rely on charity.

I interviewed old people in one of KwaMashu's welfare camps. Living in tiny rent-free cottages, all said it is impossible to manage on their pensions alone.

● Mrs Josephine Mkize crawled to the door, her body shaking, her head moving from side to side. She said: "I can't walk, I walk on my knees."

She gets about R20 every two months.

"I send the children to buy food for me. They must buy mealie-meal, samp, beans, fat and sugar."

Putu

Asked if she buys meat, she said: "Meat? I can't buy meat. There is not even a penny to buy meat."

She lives mainly on putu and porridge. Asked if she likes putu, she summed up the resignation felt by so many pensioners: "I like putu, I don't like putu, but I must eat putu."

● Mrs Flora Msomi gets R20 every two months. She looks after a baby. This brings in R3,90 extra each month.

She said she can afford food for one month only.

"After that I start suffering." She tries to borrow money or goes begging.

● Mr Mdleke Mungwe (72) and his wife, Amelia, started receiving regular food parcels after their two-year-old grandson, Musuwenkosi, got kwashiorkor. Now they can afford to buy meat, eggs and vegetables sometimes.

Mrs Mungwe is paid R5

Pass laws foment violence, hatred

In a city where terror is the norm, inflexible pass laws exacerbate race relations. MERVYN HARRIS reports.

STAR 11/5/75

Soweto is like a vast transit camp — a city going nowhere. Its inhabitants are in a state of drift, suspended from the values and customs of the past and yet unable to take control of their own future.

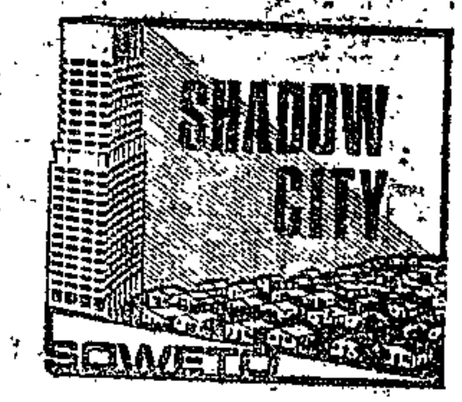
They have acquired the diseases of modern industrial society but its benefits have yet to accrue to them. And they are discontented, angry and growing increasingly bitter.

A "big prison" is how younger people invariably refer to the city in which

malo, who had recently retired after working as a labourer in Johannesburg.

He was sitting in the lounge bar of the recently opened Diepkloof Hotel — the first hotel to be built in the city. Neatly dressed in a suit and sipping a beer, he said:

"This is what I have always wanted. To have a



are arrested on suspicion."

And in Soweto itself — stamped by the "pass laws" — they are all regarded as "temporary sojourners" and are therefore allowed to enjoy no permanence in any of their activities.

Apart from depriving them of the right to own

notice the inconsistencies in the actions and policies of officialdom and wonder how a process that desocialises them is supposed to "civilise" them into the Western way of life.

The bitterness created by this situation was bluntly stated by a group of men hanging about a street: "We will never forgive the White man for the pass laws."

If . . .

An educated man added: "If there is violence it will not be because we want our freedom but because we want to get rid of the pass

Mr Meliot Mhlanga, blind and crippled by polio, had to wait out his days at the Soweto transit hostel. "The old and the sick have to stay in Soweto because the

A Daily Dispatch

...ation). In prison, you are not allowed to own anything. You are just there for a certain period. You cannot live a good life."

Older persons tend to describe the city as a "cattle post," a "pig sty," a big "hostel" or as an "extension of a mine compound."

Some shrug their shoulders and say: "We have to enjoy ourselves." And a few obviously do.

One of these was 65-year-old Mr John Khu... drink in a nice place. I used to work outside hotels in Johannesburg and wondered whether I would ever go into such places.

"Well, here I am," he said, with outstretched hands.

Johannesburg is not only geographically on the other side of Soweto. The bustling metropolis with its affluent suburbs and general air of opulence offers an immediate and striking contrast to the drabness, monotony and poverty of the teeming city on its south western extremity.

"We want to be treated as equals" is the general refrain. But: "If we move outside Soweto," explained a young man, "we ... their own homes, Government policy prevents African businessmen from owning their own business premises. And the city lacks many of the most basic amenities of urban living.

"Just because we Africans live here, nothing is done for us," said a pedestrian at a street corner. "We haven't even got decent toilets. If a man wants to pass water, he does it in the streets as there are no public toilets. And no health inspector comes round."

Pointing to the untarred roads, muddy and impassable in parts when it rains, he added: "We pay taxes — and what about the fines we pay which contribute to the economy?"

The sense of injustice they feel arising from their deprivation, material and psychological, is fanned by the concept that they are only "passing through" and is expressed in the plaintive complaint:

"If your pass book is not in order you are not a human being."

Residents of the city ... Besides underlying the insecurity of tenure, the implementation of the Influx Control Laws is mainly responsible for dividing the population into its various strata and hence for the consequent social turmoil in the city.

At one extreme is the small, burgeoning middle class in Dube. With their smart houses — along the route of the official Soweto bus tours — they have already distinguished themselves from the ordinary workers who comprise the majority of the population.

Waste

At the other extreme are what is known as "the unwanted." These are the elderly and those who have been lured to the city by the prospect of work — only to find themselves labelled as "illegal immigrants."

"If you are unable to work any longer," explains Mr G Maphikela, organising secretary of the SA Bantu Aged Association, "you are dumped on the waste heap."

Officially, the elderly are supposed to be transported back to the homelands. But the leaders there have insisted that their territories are too poor to take them. Tens of thousands of such people have become the unwanted of Soweto.

Those people without legal status — estimates vary between a quarter and half a million — swell the ranks of the tsotsis, the thugs who roam and control the streets of the city after dark.

Out of their frustration and rejection, stems the violence for which the city has become so notorious.

Life thus becomes cheap in Soweto.

Terror has become a way of life and casts an eerie silence over most of the unlit streets.

Deserted bus shelters are used as bases from which to pounce on victims. In isolated instances, an unsuspecting householder going to use the toilet at the back of his house may find a homeless vagrant there and a fight will ensue.

The feeling of fear the terror evokes was described by a man in these terms:

"I was coming home one night after visiting a friend down the road. Nobody else was about but I could hear footsteps behind me. I walked faster ... to me that I was ... them.

and faster and kept looking behind me. I could not see anybody but the footsteps kept following me until I finally got inside my house. It was a short journey but it seemed very long."

There were 804 murders in the first 11 months of last year, of which 537 were successfully investigated by the police.

Rob

Poverty, overcrowding, and lack of opportunities and amenities are undoubtedly a breeding ground for much of the violence.

"If a man cannot get work he will rob to clothe and feed himself," the ordinary citizen says phlegmatically.

Another widely held view maintains: "If you attack and rob a White man you are hanged or given a long term in prison. So it is easier if you are violent against your own people who have little protection. Nobody cares about us."

A tsotsi told me: "It eats me up inside to see someone having things — even a packet of cigarettes — which I haven't got, I will kill for that."

HANSARD 14.

Q. 929-30.

12 May 1975.

286

Pensions for Coloureds

206. Mr. G. N. OLDFIELD asked the Minister of Coloured, Rehoboth and Nama Relations:

(1) How many Coloured persons were at the end of 1974 in receipt of (a) old age, (b) blind persons', (c) disability and (d) war veterans' pension;

(2) how many of the Coloured pensioners were receiving the maximum amount payable in respect of each category of pension;

(3) what was the average annual amount paid per person during 1974 to Coloured persons in receipt of each category of pension;

(4) what will be the maximum basic pension payable per annum to Coloured persons in respect of (a) old age, (b) blind persons', (c) disability and (d) war veterans' pension in terms of the Budget for the financial year 1975-'76;

(5) (a) what will be the maximum free income allowed per annum to qualify for the maximum social pension to be paid to Coloured applicants and (b) what will be the means plus pension limitation in each case.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

(1) (a) 71 549.

(b) 1 623.

(c) 31 807.

(d) 5 966.

(2) Old age pension—62 805.
Blind persons' pension—1 389.
Disability grant—29 358.
War veterans' pension—5 151.

(3) Old age pension—R327-52.
Blind persons' pension—R298-99.
Disability grant—R306-12.
War veterans' pension—R357-58.

(4) (a) Old age pension—R408.

(b) Blind persons' pension—R408.

(c) Disability grant—R408.

(d) War veterans' pension—R468 (including an additional allowance of R60).

(5) (a) R252.

(b) R660 per annum.

HANSARD 14 Q. 956-7
14 May 1975.

Social Security - Pensions

Department of Social Welfare and Pensions: Privately-run institutions/subsidies

310. Mr. J. W. E. WILEY asked the Minister of Social Welfare and Pensions:

(1) How many institutions registered with his Department, but run by private persons or companies, receive a subsidy in respect of patients;

(2) what is the amount of the subsidy per patient;

(3) (a) what are the names of the (i) persons and (ii) companies concerned and (b) for what period has a subsidy per patient been paid to each;

(4) whether there has been any increase in the subsidies paid since registration with his Department; if so, what increase.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

Although many institutions are registered by the Department, no subsidy is payable to private persons or companies in respect of such institutions. It is, however, understood that the hon. member is referring to certain homes for the aged conducted on behalf of the Department. These homes are not subject to registration. The under-mentioned information is submitted in respect of them:

(1) 4 Homes for the aged.

(2) The contract price is R4-16 per day per inmate. No further contribution is made in respect of capital or other costs.

(3) (a) Smith, Mitchell and Company.

(b) Since June 1969 to date.

(4) Yes, the contract price has been increased as follows:

(a) 15 cents per day with effect from 1 June 1972.

(b) 15 cents per day with effect from 1 November 1973.

(c) 16 cents per day with effect from 1 April 1974.

HANSARD 14 CO. 974-5
16 May 1975.

(1) 252
(2) Soc Sec - Pensions

Actuarial valuations of Government pension and provident funds

*20. Mr. H. H. SCHWARZ asked the Minister of Social Welfare and Pensions:

Whether any actuarial valuations of the various Government pension and provident funds have been made since 1 April 1974; if so, (a) of which funds and (b) what deficiencies or surpluses did they disclose.

†The MINISTER OF COMMUNITY DEVELOPMENT (for the Minister of Social Welfare and Pensions):

Yes.

(a) The Government Non-White Employees' Pension Fund.

(b) A deficit of about R2 767 000 in respect of accrued pensionable service.

Mr. H. H. SCHWARZ: Arising out of the hon. the Minister's reply, does he contemplate taking any steps in order to meet that shortfall?

The MINISTER: I am afraid the hon. member will have to table that question.

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R4,5 boost in Indian pensions

19/5/75

Mercury Reporter

OLD-AGE pensions are to be increased by R4,50 a month from this year to keep pace with the rising cost of living, Mr. I. C. Dannhauser, chief probation officer (welfare) of the Department of Indian Affairs, announced at the weekend.

He told a national conference on the aged in Durban on Saturday that in addition to the ordinary and special per-capita subsidies his department also provided subsidies for the initial purchase of furniture and equipment by an old-age home.

He said there were two old-age homes for Indians, one at Pietermaritzburg and Clayton Gardens in Durban.

"I may also mention that the inmates in these old-age homes are in addition to the subsidies paid to them in receipt of old-age or disability pensions at the rate of R29,50 a month which are also to be increased from October 1 this year to R34 a month," he said, speaking on the role of the Department of Indian Affairs in relation to the aged.

Meanwhile, delegates at the conference, held at Durban's Howard College, expressed disappointment that the Mayor, Councillor Dixey Adams, who opened the conference, made no mention of the "burning" issue of travel conscessions for the aged—a privilege extended to Whites only.

Mr. Rajendra Chetty, secretary of the Durban Association for the Indian Aged, when moving the vote of thanks at the end of the conference criticised the Mayor for making no efforts to spell out the policy of his Council on matters relating to the aged.

Mr. Chetty said that in spite of repeated representations to the City Council over travel concessions "we have failed to achieve any results."

HANSARD 15 Q. 985-6

20 May 1975.

Soc. Security - Pensions

Bantu old age homes

*1. Mrs. H. SUZMAN asked the Minister of Bantu Administration and Development:

(1) Whether any Bantu old-age homes in White areas were closed during 1974-'75; if so, which homes;

(2) (a) how many old-age homes are there in each Bantu homeland and (b) how many persons can be accommodated in each home.

The DEPUTY MINISTER OF BANTU ADMINISTRATION AND EDUCATION (Reply laid upon Table with leave of House):

(1) No.

(2) (a) and (b)

Homeland	Home for physically able aged	Number of persons who can be accommodated
Lebowa	Sekutupu	94
	Bopotswa	154
Bophuthatswana	Klipplaatdrift	59
	Gelukspan	68
	T. C. Esterhuysen	18
	Boiketlong	115
KwaZulu	Kwabadala	56
Ciskei	Ekuphumleni	360
Basotho Qwaqwa	Witsieshoek	200
Damaraland	Okombahe	100

Homeland	Homes for debilitated age and others	Number of persons who can be accommodated
Lebowa	Sekutupu	90
	Matlala	107
	Meetse-a-Bophelo	54
Bophuthatswana	Gelukspan	114
	Boiketlong	42
	T. C. Esterhuysen	38
KwaZulu	Kwabadala	182
	Montebello	160
Ciskei	Peddie	72
Venda	Khathutshelo	112
	Hayani	181
Basotho Qwaqwa	Witsieshoek	100

It's 50c a day for the forgotten

RDM 2/6/75 286

By LYNN STEVENSON

A MUSTY smell of powder and old cologne pervades the 5 m by 3 m room. A 2 m square kitchen, and bathroom just large enough to stand in, complete the flat.

Its occupant, Mrs Nina le Roux, 77, agreed to swop her home for a furnished Hillbrow apartment, well-stocked with food, for a month, while I became her shadow.

My possessions were to match hers to the last detail. My clothing for the month was no more than the section of her winter wardrobe bought from her pension. This totalled one winter dress, three blouses, three jerseys, four skirts, one cape, one raincoat, two pairs of shoes, one pair of slippers, one warm dressing gown, two petticoats, one vest, one spencer, two pairs of pantihose, one brassiere, one corselet, one overall and an umbrella.

Her reading matter included a Bible, some inspirational booklets and magazines. I was allowed a Bible.

Mrs Le Roux spent last winter without a heater — it broke. She has an iron which also does not work. Creased clothing will be all I have for warmth.

Her larder was stocked. Whatever I eat from it I shall replace.

That may not prove as simple as it sounds. I shall have to pay for everything from R57, the basic State pension for men and women.

Rent for the apartment is R35, with 80c for electricity and gas, leaving me exactly R21,20. From that R5 must be put away, as Mrs Le Roux tries to save that much a month for large expenses and emergencies.

That leaves R16,20 for food, groceries, toiletries, transport, entertainment and anything else. I have to budget on 50c a day.

To get some money perspective, I considered some comparisons. On my last day as a free reporter, I paid some of my accounts. It is coincidence, but the monthly payments on my car is R57 — the amount hundreds of pensioners live on. Guitar lessons are R16, what I have left to live on. I had to leave my guitar at home.

Second deprivation — to find feathers flowing out of Mrs Le Roux's pillows. I'm allergic to feathers and am certainly not going to spend four days' budgeting on an anti-allergic pillow, so I shall do without.

None of my friends know where I am. My family do.

Saturday night wears on. It is too early to go to bed and the room is too dimly lit to read or sew — not by machine, as Mrs Le Roux embroiders. Unfamiliar creaks and footsteps are unnerving.

Bedsprings in the flat above moan. In the building opposite darkened windows tell me the forgotten people have gone to bed. It is 9 pm.

Mrs Le Roux has lived in this room for 15 years. Peeling paint from greyish walls protrudes accusingly. Why should someone who has fulfilled her responsibility to society be repaid like this?

HANSARD 17 Q. 1095-6

6 June 1975.

(1) 307

(2) See. See - Pensions

Amended group insurance scheme for teachers

*8. Mr. G. N. OLDFIELD asked the Minister of Finance:

Whether a company whose name has been supplied to him has amended its group insurance scheme for teachers to the detriment of older members of the scheme: if so, what steps have been taken or are contemplated to investigate the matter.

†The MINISTER OF FINANCE:

The premium rate of this scheme was recently revised on a basis which also takes the age of the member into account. A uniform rate was previously charged for all members but because older members would normally pay more for the same benefits, it actually amounted to the younger members subsidizing the older members. This impeded enrolment of young persons.

The premiums of the group assurance scheme are not guaranteed, but are subject to revision in the light of claims experience in the past. The complaints received in this connection have been investigated. The company's explanations and motivation for amending the scheme have, however, been found to be acceptable by the Registrar of Insurance.

Mr. W. V. RAW: Mr. Speaker, arising out of the hon. the Minister's reply, may I ask him whether he will take steps to prevent similar schemes, such as that in the Defence Force, being sold apparently semi-fraudulently since the conditions thereof can be altered to the detriment of the members without their having any say in the matter?

The MINISTER: Mr. Speaker, I shall require notice of that question.

HANSARD 17 Q. 1101-1102
6 June 1975.

Soc. Sec. - Pensions

Homes for aged conducted on behalf of Department of Social Welfare and Pensions and owned by Smith, Mitchell and Company

*17. Mr. J. W. E. WILEY asked the Minister of Social Welfare and Pensions:

(a) What total amount has been paid in subsidy to the homes for the aged conducted on behalf of his Department and owned by Smith, Mitchell and Company and (b) what was the amount of the subsidy paid in each financial year from 1969-'70 to date in respect of institutions owned by the company.

†The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

No subsidy is paid to the homes concerned. They are remunerated according to the appropriate contract price. I do not think it is desirable to disclose the particulars required by the hon. member in public. I am, however, prepared to supply the information to him privately.

†Mr. J. W. E. WILEY: Then I must not be bound by it.

HANSARD 17 Q. 1094-5

6 June 1975

Soc - Sec. - Pensions

Subsidies paid to certain welfare organizations

*7. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) What amount was paid by his Department during 1974-'75 to welfare organizations administering (a) service centres and (b) clubs for the aged;

(2) whether the meals-on-wheels service provided by (a) service centres and (b) other welfare organizations is subsidized by his Department; if so, on what basis; if not, why not.

The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) None.

(b) R2 637.

(2) (a) Yes, on the following basis:

(i) Capital expenditure: a loan at 1% interest, redeemable over a period of 40 years.

(ii) Rent—75% of the rental up to a maximum of R10 per member per annum.

(iii) Furniture and equipment—75% of actual purchase price up to a maximum of R20 per member.

(iv) Running expenses—50% of the approved expenditure up to a maximum of R20 per member per annum.

No claims for subsidy were received during the financial year in question.

(b) No. Such a service can best be rendered from a service centre.

Sunday Times 8/6/75 — 286

Sanlam deal hits older teachers

By TONY STIRLING

THOUSANDS of older South African teachers will be hard hit by changes in life insurance policies under a group scheme run by Sanlam, the R800-million insurance giant.

No benefits at age of 60

Mr B. E. Gouws, 55, vice-principal of the Johannesburg Technical High School, says the revisions to the scheme will mean that teachers retiring at 60 will no longer be entitled to insurance benefits under the scheme.

"This is a deplorable move", said Mr Gouws. "It will affect thousands of older people in the teaching profession who have paid in hundreds of thousands of rands in premiums."

In terms of the amendments to the scheme, membership will cease at 60. Premiums for those above 40 have risen steeply. The members will also lose their post-retirement benefits of half the original life cover at half the premium rate they were paying before retirement.

A Sanlam spokesman that because of "adverse feed-back," a statement had been issued on the revisions.

The number of members of the scheme was confidential, but those reaching retirement age could take out normal insurance policies without undergoing a medical examination. Sanlam, as a mutual company with responsibility to its members, could not subsidise the scheme.

Mr Gouws claimed that older members who had been paying into the scheme for years would lose their retirement benefits.

"The premium rates have been drastically increased for older members. In my case the increase is 117,5 per cent, from R5,94 a month to R12,92 a month," he said.

At the same time premiums to those under 40 had been reduced by 21c per R1 000 of life insurance cover.

"The justification given for this was that the younger members would no longer be subsidising the older members.

"In my opinion it is not liable to create hostility among the younger members of the scheme — that is among those still likely to take out insurance. But it hits at those older people who are not likely to take out insurance."

He described Sanlam's offer to give normal policies to those reaching retirement as "eyewash."

"The premium rates for people over 60 are so high that they are simply not within the budget of pensioners," said Mr Gouws.

According to the chairman of the scheme's trustees, some members would have to pay premiums of up to 1 200 per cent higher than before. His board had had no option but to accept the changes after 15 months of negotiation with Sanlam.

A spokesman for the Transvaal Teachers' Association (TTA) said that the TTA, which had been against participation by teachers from the outset, had examined the position of pensioners who were members.

Disgusted

"I am disgusted with these changes," he said. Legal advice had been obtained to the effect that an injunction could be sought against Sanlam.

"But such a step would cost about R1 000, and as the TTA was against the scheme in the first place, I do not think it should be the body to institute any legal steps which might be taken."

Those pensioners who could not afford to meet the increased premiums stood to lose heavily in terms of life insurance cover, while many of those who withdrew from the scheme would not even receive their full contributions back.

One teacher calculated that he would have to increase his premium from R2,13 a month to R19 a month to maintain his R3 000 cover, and if he continued his old premium rate his cover would drop to R342 — less than half the total amount he had paid into the scheme.

A circular issued by the trustees of the scheme said that the claims paid out by the scheme had exceeded its net income since 1972. These losses had been met by Sanlam, but the company could not do this indefinitely.

Because older members had to a "very great extent" been subsidised by the younger members, a new rates scheme had been devised to eliminate this subsidisation which made the scheme unattractive to younger members.

The Sanlam spokesman pointed out that the scheme was one of voluntary participation and that Sanlam had reserved the right to amend it. Because only small changes had been made in the past some members might have gained the impression that it would not be changed.

This had become necessary for the reasons outlined by the trustees, and had been done in the only way possible to ensure growth and viability.

HANSARD 18

Q. 1119
10 June 1975.

~~266~~
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Minimum pensions for Railways pensioners

*6. Mr. G. N. OLDFIELD asked the Minister of Transport:

(a) How many Railway pensioners are receiving minimum pensions at present and (b) what is the present rate of the minimum pensions payable to such pensioners (i) with and (ii) without dependants.

The MINISTER OF TRANSPORT:

(a) 18 135 as at 1 June 1975.

(b) (i) R144-00 per month.

(ii) R72-00 per month.

HANSARD 18

Q. 1118-19

10 June 1975.

(1) 266

(2) 286

Civil/Railway pensioners

*5. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) (a) How many civil pensioners are receiving minimum pensions at present and (b) what is the present rate of the minimum civil pension payable to (i) single and (ii) married pensioners;

(2) whether (a) civil and (b) Railway pensioners are in terms of the means test precluded from receiving social pensions; if so, for what reasons;

(3) whether the means plus pension income limitation is to be increased; if so, (a) from what date and (b) what is the proposed income plus pension limitation to be from that date;

(4) whether consideration has been given to permitting civil and Railway pensioners whose finacial means are within the means test limitation to qualify for reduced social pensions; if so, with what result; if not, why not.

†The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) 801.

(b) (i) R59 per month.

(ii) R118 per month.

(2) (a) and (b) The means test is applicable to all social pensioners except war veterans of the 1899-1902 war. Depending on their means, civil and Railway pensioners might, therefore, be precluded from social pensions. Attention is, however, invited to regulation 10(c) of the regulations published under Government Notice No. R.140 of 1 February 1974, whereby certain pensioners are precluded from a social pension. The reason for the preclusion is that the pensions in question, in so far as it affects minimum pensions, are already being supplemented from public funds.

(3) No. (a) and (b) fall away.

(4) Yes. The matter which is closely connected with the payment of minimum pensions is receiving attention from time to time but no final decision has been reached as yet.

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Probe by 'Mail' sparks campaign

RDM 20/6/75

By MIKE DUTFIELD

JOHANNESBURG yesterday appointed an action committee, under the patronage of the mayor and including an MPC and two city councillors, to fight the deplorable plight of the city's aged.

The committee was formed at an urgent meeting of nearly 100 social workers and experts in the care of the aged.

The meeting was called after the Rand Daily Mail spotlighted the wretched conditions in which many old people live and die.

It resolved:

● To ask all levels of government and commerce and industry to set up a financial foundation to create a citywide register of needy aged, to conduct an in-depth study of geriatric facilities and to help existing welfare services expand;

● To urge the Transvaal Provincial Administration to allow local authorities to promote a whole range of preventive medical and nursing services for the old;

● To ask the Minister of Social Welfare and Pensions to increase substantially pensions for the aged, irrespective of race.

The resolutions were carried unanimously and all speakers pleaded for the support of the public and authorities.

Social workers spoke of the drastically understaffed volunteer services and the lack of coordination between services.

A separate plea was made for an immediate R200 000 to buy a central city building and convert it into a service centre for the aged.

The Johannesburg Council for the Care of the Aged had negotiated to buy a building. The plan was to let more than 60 rooms to needy pensioners at low rentals and to convert one floor to a day-centre for counselling, re-

creation, serving of meals and medical examinations.

The council also announced it had set up a Poor Relief Fund with donations received after the "Mail" reports.

A spokesman for Meals on Wheels said the organisation could do much more if it had volunteers.

"We could afford more vehicles, but the public must come forward to man them."

● See Page 9

The tough diet beats Lynn

RDM. 21/6/75

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By SYDNEY DUVAL

THE Rand Daily Mail last night instructed reporter Lynn Stevenson to stop living as a pensioner on R57 a month — on medical advice.

Lynn spent several hours with a doctor yesterday. This was her second medical examination since falling ill on Monday, when she woke up with heavy swelling in the face, knees and fingers.

The doctor said Lynn had developed oedema as a result of her poor diet lowering her resistance. This was a condition in which the body retained water causing tissues to swell. Lynn had put on 2,5 kg in the three weeks she spent in a city flat living out the austere existence of impoverished old-age pensioners.

The doctor examined Lynn before she began her assignment and said she was in good health. Lynn had mentioned a rehal infection that last affected her five years ago.

"In view of her past medical history, which shows signs of recurring, it would be advisable for her to stop the experiment," the doctor said yesterday.

LYNN STEVENSON

This morning she was down to 5c of her original food budget, apart from the R3 she was keeping in her "rainy day" kitty.

During Monday's consultation the doctor questioned Lynn closely on her physical and mental condition after she complained of waking with her eyes "mere slits". She also complained of blurred vision, exhaustion — "I used to run up four flights of stairs" — nausea, dizziness, a pain in her right side, and a lack of concentration.

Lynn was then entering her third week of voluntary isolation to report on the plight of the city's neglected aged. Many of her reports revealed a life of bitter loneliness in a shadow world within a stone's throw of wealth and affluence.

At one point the doctor said: "But from what you are telling me you are not getting enough protein — you're literally starving yourself."

Lynn admitted that on one occasion, when she was feeling particularly hungry, she "wolfed down a tin of biscuits in one night". This had used up R1,99 of her R5 for emergencies.

She spoke about her fears and about her pace of life which had slowed considerably.

The doctor asked whether she was feeling depressed. Lynn said no.

The doctor concentrated on this point and Lynn began to describe the morbid preoccupation with death and her insomnia.

On Tuesday, Lynn's condition had improved and she was feeling much better. She was detemined to carry on. She had 37c left, but was in good spirits.

By Thursday Lynn was swelling again. She had taken no medicine for her condition after seeing the doctor on Monday. She was also getting cantankerous and irritable.

Lynn saw the doctor again yesterday and was given a thorough examination.

Lynn said: "I'm really feeling irritable. I feel I want to bite people's heads off."

After further probing the doctor's verdict was: "Taking everything into consideration, particularly your previous medical history, I advise you to stop the experiment."

The doctor last night praised Lynn's courage as a woman and as a journalist.

"I think she was very brave to have tackled the assignment she was given. She did it with great determination to stick to the rules and to really find out how the city's aged lived.

"The fact that she has had to quit a week before her time was up in no way detracts from her service to the community. She's done her job and she hs shown how a reasonably healthy girl can go wrong in a matter of three weeks.

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Ex-MP launches 'pensioner power'

CAPE Times 21/6/75

Cape Times Correspondent

PORT ELIZABETH. — A campaign to unite pensioners of all races in a demonstration of pen-pensioner power is being planned from a garden shed in the Southern Cape Town of George.

As part of the campaign, hundreds of old-age pensioners led by pipers will march through the main streets of South Africa's major cities to protest against inadequate penions.

The brains behind it belong to 75-year-old ex-MP and war veteran, Major Koos Ueckerman, whose indefatigable letter-writing and passionate pleas for an incease in State pensions have made him unofficial spokesman for peniosners of all races.

A pensioner himself (parliamentary pension and war disablement), the major conducts operations from his retirement cottage where 10 years ago he moved to raise strawberries.

To his garden-shed office, where the rakes, spades and forks hang comes a stream of letters from all over South Africa written by pensioners.

Since he wrote to all South African newspapers five years ago asking pensioners to tell him of their battles with the rising cost of living, Major Ueckerman has received 180 000 letters.

By December last year his shed was stuffed with more than 100 000 letters from pensioners of all races and languages.

By March this year phase one of the campaign — the rousing of public opinion to the plight of pensioners — was over. Phase two then went into operation. It consists basically of a frontal assault on the Government.

A petition has been sent to Parliament. It calls for action on eight points, one of which is a demand for a commission of inquiry into hardships among pensioners.

Major Ueckerman is scornful of the latest increase in pensions announced in the last Budget. He says that R7 will mean little in real terms by the time it reaches pensioners' pockets in October. He hopes instead for a generous interim award till a national contributory pension scheme can be introduced.

The major has called for pensioners to write to him in support of the petition. Since March more than 75 000 names have been collected. Every day more arrive in the post, collected by pensioners, voluntary organizations, churches — sometimes by teenagers.

"I have written five letters to the Prime Minister, Mr Vorster, asking him to send someone to judge the extent of the support," he says. So far there has been no emissary from the Prime Minister's office.

The major has known poverty. "I was down-and-out in California in the 20s. I know what it is like to starve. Even today, but for my parliamentary pension, I would also have to depend on the meagre State pension. It is a case of 'but for the grace of God there go I'," he says.

This is what the major asked the Government to do in his parliamentary petition:

- To increase substantially the pensions of all social pensioners by a minimum of 20 percent.
- To in-increase commensurate with the rate of inflation the pensions of all civil pensioners who retired before 1970.
- To adjust upwards the pension scale of miners' phthisis pensioners.
- To abolish the means test of war veterans, disability and other social pensions for people over 70 years old.
- To establish accommodation facilities in "places of retirement" for pensioners on a subsidized capital and rental basis.
- To grant immediate and substantial income-tax reductions on pension income.
- To introduce legislation to authorize local authorities to reduce rates and taxes in deserving cases of dwellings owned or rented by pensioners.
- To establish a commission of inquiry into hardships among pensioners, with power to make representations to improve the lot of pensioners in the future by means of a contributory national pension scheme or otherwise.

Pension power muscles up

RDM 23/6/75

● Pensioners are rallying to the banner of Major Koos Ueckermann to aid him in his battle for a better deal for the aged. KEITH BRYER reports from a garden shed in George.

A CAMPAIGN of protest to unite pensioners of all races in a massive demonstration of "pensioner power" is being planned from a garden shed in the peaceful southern Cape town of George.

As part of the campaign hundreds of old age pensioners led by pipers will march through the main streets of South Africa's major cities to protest against their inadequate pensions.

Bizarre though the idea may seem, the brains behind it belong to 75-year-old ex-MP and war veteran Major Koos Ueckermann, whose indefatigable letter writing and passionate pleas for an increase in State pensions have made him unofficial spokesman for pensioners of all races.

Retirement

A pensioner himself (parliamentary pension and war disablement) the major conducts operations from his retirement cottage where 10 years ago he moved to raise strawberries.

Into his garden-shed office, where the rakes, spades and forks still hang, come a stream of letters from all over South Africa written by pensioners.

Since he first wrote to all South African newspapers five years ago asking pensioners to tell him of their battles with the rising cost of living, Major Ueckermann has received a staggering 180 000 letters, each containing a case history of pensioner poverty.

By December last year the major's garden shed office was stuffed with over 100 000 letters from pensioners of all races and languages.

Insects

There were so many that the damp coastal air created perfect conditions for mildew. Insects found the paper piles a useful refuge. Rats borrowed bits for nests.

So, regretfully, the major decided to burn them, but prudently:

"The letters are my stock in trade". He first brought in a lawyer and swore out an affidavit testifying to their number.

The major's abiding fear is of being accused of "shooting a line".

By March this year what the major regarded as phase one of the campaign — the rousing of public opinion to the plight of pensioners — was over.

Phase two then went into operation. Though the ground plan is still not worked out in detail it basically consists of a frontal assault on the Government.

The first shot has, however, already been fired: a petition signed by the major has been presented to Parliament.

It calls for action on eight points, one of which is a demand for a commission of inquiry into hardships among pensioners.

Major Ueckermann is scornful of the latest increase in pensions announced in the last Budget. The R7, he points out, will mean precious little in real terms by the time it reaches pensioners' pockets in October.

Surprised

What he hopes for instead is a generous interim award until a national contributory pension scheme can be introduced.

Meanwhile, to add weight to his petition, the major has called for pensioners to write to him in support of it. The response so far has been overwhelming.

Since March over 75 000 names have been collected. Every day more arrive in the post, collected by pensioners, voluntary organisations, churches — sometimes even by teenagers.

The extent of the support for the petition has surprised even Major Ueckermann.

Harsh

"I have written five letters to the Prime Minister asking him to send someone to judge the extent of the support" he says. So far there has been no emissary from the Prime Minister's office.

In the meantime the major's advice bureau and letter-writing service cum propaganda drive flourishes.

For a man of 75 it imposes a harsh regimen. Up every morning at 5 o'clock he immediately begins reading pensioners' letters and drafting replies: answering questions, reassuring, giving advice.

Another motivating factor, according to the major, is that he has known poverty.

"I was down and out in California in the 20s. I know what it is like to starve. Even today, but for my parliamentary pension, I would also have to depend on the meagre State pension. It is a case of 'but for the grace of God there go I'."

There is also undoubtedly a strong streak of altruism in Major Koos Ueckermann.

As MP for Nigel from 1943 to 1953 he was a member of the parliamentary soldier group which handled the problem of returning volunteer soldiers.

Resigning because he was "not a politician" he then became involved in draining the Cape Flats, building homes for Coloureds and running a private old age home called Queenshaven, on the Reef.

His initial hobby in retirement was growing hybrid strawberries but his war-wounded back made that impossible to continue.

Is the plight of the pensioners in South Africa just another hobby to keep an old man busy in his retirement? It would seem unjust to suggest it.

Aside

Whether Major Koos' campaign can succeed in the constituency of the Minister of Defence, particularly since it is run by an ex-United Party MP, is another matter.

But such scepticism the major brushes aside. Perhaps it is the old politician in him which speaks when he says:

"I have nothing against the high defence budget." But he adds: "We spend a hell of a lot on other things. All I want is a small proportion directed towards pensioners."

No crumb, or kindness, to spare...

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RDM 25/6/75

IN THREE weeks I became one of them. Hospital-like the hours were measured by mealtimes, tea and the comings and goings of others.

I identified with those for whom death is but a step away. An uneven pavement, a polished floor, a staircase with no banister, could mean a fatal fall.

Travelling by bus or escalator becomes a hazardous experience. Leaving your flat after 5 pm is considered dangerous so the isolation sets in.

Much of it is imposed, some of it is chosen.

It may be difficult to sympathise with those whose ideas have jelled and whose values have not evolved with changing times. Attitudes, often prejudiced, are permanent.

This was most evident in the many complaints I heard about changes in the city's parks. Pensioners felt there was no room for them there now they kept to their rooms.

"Parks used to be meeting places. Now we can go there only on Sundays," I was repeatedly told.

The normal influences which change attitudes are mostly absent from pensioners' lives. Many are alone without family or life-long friends. Acquaintances provide only a passing word.

Evening concerts, lectures or meetings are not possible. Daytime clubs for senior citizens are often the only outings.

Not even newspapers provide communication with the world. At 10c a time and more on Sundays, they cost too much. During my entire three weeks as a pensioner I bought not a single newspaper. I thought the money would be better spent on food.

At the Wednesday Club for Senior Citizens I asked how many could afford newspapers. One or two bought two newspapers a week, a few bought one a week and most could never afford them.

With even paperbacks now costing well over R1, buying books is not feasible. Libraries must suffice.

Often the only communication — and its value to the aged is immeasurable — is the radio. Performances in the best concert halls in the world, comedies and tragedies, church services and personalities, news of the outside world — all are brought to the darkest or meanest corners where pensioners may be eking out their last years.

"It would kill me to pass the long, lonely evenings without my radio," was one frequent comment.

"I listen to my radio until I feel sleepy," was another.

The intimacy of a human voice inside your isolated cell is perhaps the only link with sanity. Even so, only the "privileged" pensioners possess radios, mostly only those whose radios accompanied them when they went on pension.

Despite the concessions for pensioners, radio licences still have to be paid annually and batteries bought. During my three weeks as a pensioner I would rather have foregone milk for three days than been without batteries for the transistor radio I was lent.

It is bitter to think that those who would truly benefit from the more intimate television medium will probably never own sets or even see a TV programme.

The isolation and the solitude breed a sick sort of routine which in turn provides a threadbare security. Hence the irritation — which I experienced myself — if someone unexpectedly interrupts your mealtimes.

Your realisation that your life is craving communication and people, is dimmed by the other hunger in your belly.

And there isn't food to spare. Playing hostess becomes a thing of the past. If you can offer a biscuit with a cup of tea you are being generous.

Counting cents becomes second nature. Selfishness and greed become necessary accoutrements to life. Several people I met had forgotten that offering refreshment to a stranger was an accepted gesture of welcome.

I'll never know whether perhaps they had been without the necessary sugar or milk so often that not offering had become the norm.

Those with religious beliefs seemed less embittered and were generally happier even if their circumstances were no better than others. They were the ones who said they were grateful for some or other aspect of life. Their hearts and their homes were often still tinged with generosity.

Church-going also provides an occasion to meet people of all ages and is something to anticipate on bleak week-ends. It signifies security and hope.

Those with "faith" seemed less affected by fears — fears of further rent increases, of inflation, of dying alone or even worse, of suffering alone unable to reach help. Of growing suspicious of the outside world and of the views of youth. Of starvation or of becoming completely dependent through blindness, or being crippled or suffering terminal illness.

Humour becomes as scarce as food. During the entire three weeks I think I laughed at myself only once. That was when I trimmed my fringe — disastrously — with a pair of blunt nail scissors because I could not afford even the reduced hairdressing rates at Happiness House.

Fortunately, I do not smoke. Finding out what sacrifices pensioned smokers make to afford cigarettes was something I meant to do during my last week as a pensioner. I'd still like to know.

If one is fired with spiritual zeal for a cause, perhaps the deprivation of the body can be overridden by the power of the mind. But for more ordinary mortals I am convinced efficiency, moods, relationships, appearance and health are all directly related to the food they eat.

Not once during the entire three weeks did I ever leave a crumb on my plate. The only time I had a two-course meal was the day I slept till noon after a sleepless night and feasted on a combined breakfast and luncheon.

Hoarding becomes instinctive. Christmas and birthday cards symbolise "loved ones" and "being remembered" so they accumulate dustily on shelves and mantelpieces.

I wondered with what hopes the aged fill empty packets? They're stored underneath chairs, they fill drawers and they're stuck on top of cupboards.

Others collect old newspapers.

Years of leaning over railings sometimes take their toll in fearful ways. One person I met imagined a television company disturbing her eerie peace.

"Can you see them?" she would ask excitedly. "Down there. When they see me watching they camouflage themselves beside the dustbins. There goes Cleopatra in her barge. Can you see them having tea on the boulevard? Look at that one lying half naked on her stomach!

"They must be filming it for television. It disturbs the tenants you know. The building will never be the same again."

Her hallucinations prowled around every floor of the murky block. "Cleopatra" was always in the courtyard below, reclining in her barge on the Nile.

While she saw "Cleopatra", time for others passed irksomely, occasionally interrupted by sordid dramas or death.

What made it all bearable for me was that it was temporary. There were people I loved in the world outside. I knew they cared and were waiting for my return. How do they survive — all those old people I met — the long, long, dreary evenings, the sleepless nights and the dragging days?

Business Argus 5/7/74

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Pensioners' plight

PRESS articles on the plight of South African pensioners have caused a large upsurge in business for life insurers, according to Mr Ken Palmer, general manager for the Legal and General Assurance Society.

He said Legal and General had achieved a record 79 percent increase in new premium income from R930 325 to R1 667 243 for the five months to May this year, against the same period last year.

This rise is the result of the public's increasing awareness of their individual need to protect themselves in their old age, he said, and commented that the awareness was largely due to recent Press articles.

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Minister sees plight of aged

RDM 5/7/75

By MIKE DUTFIELD

IT WAS disgraceful that a city like Johannesburg did not have one service centre for the aged, the Deputy Minister of Social Welfare and Pensions, Mr Hennie Smit, said yesterday.

"Johannesburg must have several immediately," Mr Smit said after a tour — at the invitation of the Rand Daily Mail — of some of the lonely, shabby rooms where Johannesburg's aged live.

In one room in Troyeville, Mr Smit arrived as a 70-year-old woman was carried on a stretcher back to her bed after two weeks in hospital.

The Deputy Minister also saw: a war veteran, 67, living alone in a room with an oxygen cylinder beside his bed; a bedridden widow, who is waiting for her remaining gangrenous leg to be amputated; an 82-year-old who has lived alone for 30 years in one room; a widow who cannot stand without crutches, and several others.

After the tour, Mr Smit said: "The people I saw today convince me even more that the State, the province, the city and the community must work together to solve the complex problem of Johannesburg's aged.

"It is obvious that putting these fiercely independent old people into old-age homes is not enough.

FLATLETS

"Johannesburg also needs municipal housing schemes for the aged on a much greater scale than the 208 flatlets already built," Mr Smit added after slating the lack of service centres.

He was accompanied on the tour by his wife, Mrs Smit, the Secretary for Social Welfare and Pensions, Mr H. P. J. van [illegible] the depart-

ment's Johannesburg representative, Mr Theo Gericke.

One of the people they met was Mrs Johanna Thompson, 81, bent double with arthritics.

She said she had lived alone in her room for 30 years. "My daughter comes to see me and without her I could never manage. It would be nice if there was more help," she told the Deputy Minister. Her sole income is her R57 a month old-age pension.

As the party inspected a block of unfurnished rooms — home to 40 pensioners — Mr Smit said: "These people must be helped to live in the community. It is not right they should live like this.

"My department will do all it can if the public will come forward to put this matter right."

As the party left, a municipal ambulance arrived at the building.

Two ambulancemen carried crippled Mrs Emma Taylor, 70, to her bed and left her.

She told Mr Smit she had gone to the Johannesburg General Hospital two weeks ago for treatment for the arthritis that confines her to her bed.

As the group talked in the dark, dirty room, a large dog, lying with two cats among Mrs Visagies' bedsheets, snored loudly.

At the end of the tour, Mr Smit pointed out the near total lack of co-ordinated aftercare for people like those he saw.

"Only when the elderly are so frail that they can no longer look after themselves must they be institionalised," he said.

"But they cannot just be left in the community. They should not be left like this," he said.

● See Pages 5, 7

RDM 5/7/75

SIX YEARS ago the Government decided officially that putting old people in institutions is wrong. They started a campaign to persuade cities to keep their aged healthy and active within the community. Johannesburg did not respond.

Since the Department of Social Welfare and Pensions appealed in 1971 to municipalities to build housing schemes and service centres for their aged, Pretoria's citizens have applied for and are building all the service centres the city needs.

In Maritzburg the department is considering an application for a service centre for 1 000 aged.

But Johannesburg's 31 000 old people are still waiting for their city to build a single service centre.

Applications for two centres from the greater Johannesburg area have been submitted but these cater for only 196 people.

The Secretary for Social Welfare and Pensions, Mr H. P. J. van Vuuren, this week described Johannesburg's plans for special housing schemes and service centres for the aged as "grossly inadequate".

"Johannesburg should have several centres immediately, and the provision for housing schemes is equally urgent," he said.

In 1971 his department published a circular detailing the need for housing schemes for the aged. Today Johannesburg can boast specially designed housing for only 308 pensioners.

Krugersdorp, by comparison, has not only a dynamic service centre but five villages for pensioners, four built by the municipality and one by a community service organisation.

The deplorable plight of many of Johannesburg's aged is spotlighted by the staggeringly high nine per cent of the city's aged who live in institutions.

Neither the services nor facilities exist for the aged to remain in the community — which is where most of them should be.

Says Mr Van Vuuren: "In 1969 we realised that the trend towards institutionalising the aged was wrong.

"Since then we have done all in our power to make sure only the frail and infirm go into homes.

"For the rest — the majority — their place is in the community, where they can keep their independence in the environment where they have lived their lives."

But the community must help them — and this is Johannesburg's disgrace. The city's 28 State-subsidised homes have many hundreds of fit and able-bodied aged who have sought in institutions the security which the community failed to provide.

Then the frail and infirm who cannot live alone find the beds in the homes are full.

Johannesburg's needs are clear:

- Service centres to provide a variety of services on a daily basis to old people living in the community.
- Low-rental, specially designed housing schemes for the aged.
- A fully-fledged, coordinated community service providing regular contact with the elderly, helping them with the chores of daily life staffed by volunteers, health and welfare officers from community, municipal, provincial and State levels.

Until Johannesburg gets that, many of its elders will continue their lives in shabby, frightened loneliness.

In Krugersdorp a semi-retired businessman, Mr Robert Palk, begged, chivvied, demanded and just plain bullied the people of the town into looking after their elderly.

He went out with volunteers to compile a register of the aged. By knocking on doors, interviewing people in the Post Office on pensions day and appealing to old people to come forward, Mr Palk and his helpers compiled a register of 702 old people, with their names, addresses and circumstances.

Today Krugersdorp's aged are served by a variety of committees, composed mostly of the elderly themselves. One of these committees organises a bi-annual old-folks' show — a mammoth affair which, as Mr Palk says, gives the elderly "something to work for, something that's in the future and not in the past".

So what is the matter with Johannesburg then?

It is true the city abounds with welfare societies — but they lack coordination and a city-wide sense of purpose. And most of the voluntary organisations are desperately short of both volunteers and money.

Now, hopefully, the newly formed Action Committee for the Aged will fix all that. And the State will be right there to help them.

This week the Department of Social Welfare and Pensions gave the Rand Daily Mail the best news yet since the newspaper launched its campaign to help the aged: the department is working on a master plan to help the aged which, Mr Van Vuuren says, could change the face of social welfare in South Africa within 10 years.

"We are working out ways in which, with the help of local welfare societies, we can take the initiative. Instead of waiting for the societies to come to us we hope to go out and work with them to solve the problem," he said.

In October, Mr Van Vuuren hopes to present to the National Welfare Board a scheme whereby regional welfare boards will play a much more dynamic role in the welfare services of the community.

"My regional offices, according to our scheme, would move out into areas where the aged live and draw up studies for submission to the regional boards.

"With the help of existing community services, we will ensure facilities are created and welfare work mobilised and coordinated.

"But the plan can only work with the cooperation of everybody," he said.

It will also require changes in present legislation. Without doubt, it will also need hard cash.

In Johannesburg, he said, his department would welcome the help and advice of the newly-formed Action Committee for the aged and he foresaw the committee and the department's regional office working together at all levels.

But the State can only do so much. The impetus and support must come from the community. The problem remains at root the community's responsibility.

The Eskimos had no problem with the aged. When the years overtook them, leaving them frail and infirm, they were left alone to die in the snow.

That is not the way we like to run our society.

If you are wondering what to do about your parents, remember that soon your children will be wondering what to about you.

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Master plan to help the aged

(286)

RDM 5/7/75

By MIKE DUTFIELD

THE Department of Social Welfare and Pensions has given the Rand Daily Mail details of a national master-plan to help South Africa's White aged.

The Secretary for Social Welfare and Pensions, Mr H. P. J. van Vuuren, said yesterday he hoped the plan would, in particular, do much to ease the plight of the old people in Johannesburg.

"We are working out ways in which, with the help of local welfare societies, we can take the initiative in solving some of the problems. We intend to go to where the needy aged live and draw up in-depth studies of what is needed," Mr Van Vuuren said.

In October he hopes to present to the National Welfare Board plans whereby regional welfare boards will play a much more dynamic role in the welfare services of the

community.

If accepted, the plan will require changes in the Welfare Act.

"If everything goes well, we will work with existing community services to ensure that new facilities are created and welfare work mobilised and coordinated like never before," he said.

"If we get the cooperation we ask for and the full support of the community, we can change the face of social welfare in South Africa within 10 years," Mr Van Vuuren said.

In Johannesburg, he said, his regional office would want to work hand-in-hand with the newly-formed Action Committee on the Aged and would welcome their help and advice.

Mr Van Vuuren also confirmed that he had been asked by the Deputy Minister for Social Welfare and Pensions, Mr Hennie Smit, to examine the consequences of a provincial ordinance preventing municipal health departments in the Transvaal from tending to anyone over the age of two years.

He said the matter was being handled by his senior deputy and that a full report of the effect of the ordinance would be drawn up.

The move follows "Mail" reports on the inability of the Johannesburg City Health Department to tend to the needs of the aged.

The city's medical officer of health, Dr Alexander Smith, said his department's equipment, doctors, nurses and 70 health visitors were effectively prevented from looking after the aged.

He felt it was his department's duty to carry out such work and the preventive medical care that could be rendered would be invaluable, he said.

Meanwhile response to the plight of Johannesburg's destitute pensioners is still coming in at a steady pace.

Schoolboys at St David's College in Inanda, Sandton, have collected food which they are making up into 100 hampers for old age pensioners.

The Johannesburg branch of the Union of Jewish Women have bought 50 new blankets for pensioners with money they have collected in response to the Rand Daily Mail's articles spotlighting the needs of the aged.

nshine and cheer for the aged

One of the most up to date and sophisticated geriatric homes in South Africa opens officially in Bramley, Johannesburg next week. SUE GARBETT reports.

Bright sunshine pours in through the windows of the new Bramley Geriatric Home, lighting up the neat, cheerful rooms with their gay curtains and bedspreads.

All the rooms are north facing, ensuring warmth and cheer for most of the day — two important requisites for the aged.

This R700 000 home boasts all the latest in equipment and facilities for the old and infirm.

"Today the Rand Aid Association is emphasising the needs of this section of the aged population. There are many old age homes in Johannesburg who cannot cater for the infirm.

"When they reach the stage where they need constant care, they have to leave the home. Where do they go?" asked Mr Ken Sara, the association's chairman.

Now 156 of them will be able to settle into the Bramley Home, thanks largely to the untiring efforts of Mr Sara.

He's no spring chicken himself, but his enthusiasm and dynamism have resulted in the new home being built in just under a year.

Seventy five percent of the people moving into the home, are from the sub-economic income group. Some of the comforts they will enjoy include a television lounge (there is one for each of the three floors), a canteen with rock bottom prices and little service units where tea or coffee will be on tap 24 hours a day.

The second and third floors are for ambulant and semi-ambulant people. The rooms have one or two beds in them, lots of cupboard space, carpets and heaters.

Each bed has its own light and bell. There are telephones on each floor and a public address system to call people to the telephone.

Other facilities available include a hairdresser, physiotherapy, occupational therapy and yoga classes.

The aged are stimulated with trips into the country, to the theatre and other outings.

The ground floor of the new home is for the infirm and sick. Corridors wide enough for two wheelchairs to pass, showers where the aged can remain seated in their wheelchairs, and toilets where they don't have to get off their chairs, are some of the facilities the home offers.

Oxygen on tap, 10 registered nursing sisters, all specialised in geriatric nursing, and catering for special diets, will ensure that the last years of the old will be as comfortable as possible.

"People may think this home is too good for some sorts. Well, they're wrong. Here at the Helen House complex we have taken in people from all walks of life, and we shall continue to do so," said Mr Sara.

He told the story of a woman who was found so filthy that her toes had grown together with grime, she was toothless and had no glasses.

"We brought her here put her into a bath of disinfectant and set about improving her image.

"Two months later I went to see her propped up in bed, her white hair a halo round her head. She wore a bright bed jacket, had glasses and dentures. You wouldn't have recognised her!"

With the opening of the new building, the Rand Aid Association will have nearly 1 000 old people under its wing, making it the largest organisation of its kind in the country.

On the same premises as the Bramley home is the Helen House complex which caters for ambulant and infirm aged.

The entire complex is fully self sufficient with a laundry on the premises, doctors on call and all the catering done there.

Some of the comments from the old folk moving into the home included the following:

"At last a place to rest in comfort to the end of my days."

"I never expected such cheerful surroundings, it's been well worth waiting for."

"It's so nice and clean, I'm going to love it here."

Mr Sara's cheerful spirit shines through it all. He suggested the sisters should wear powder blue uniforms and the nurse aides primrose yellow.

They all reflected the sunshine smiles on the lined, wrinkled faces of the home's new residents as they moved in on the first day.

MR KEN SARA — looking after the aged from all walks of life.

(1) 766
(2) 286
(3) 150 A

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Natal Mercury Correspondent 12/7/75

PRETORIA—The Minister of Transport, Mr. Muller, has been asked to urgently relieve the worsening plight of about 40 000 Railway pensioners, including widows of former Railway workers.

The Secretary of the SAR Pensioners' Association, Mr. R. Abbott, said in an interview yesterday that the increases in living costs during the past few years had wiped out more than a third of the buying power of the pensions.

"We have asked the Minister to take into account the hardships being suffered by pensioners because of the price spiral. Hardships can only be significantly relieved by a substantial increase in pensions."

Mr. Abbott said he received letters daily from pensioners from all parts of S.A. complaining about the inadequacy of their pensions and their desperate need for relief.

Pensioners were getting a two percent increase a year to compensate for CoL rises. But this, Mr. Abbott said was patently inadequate when the present inflation rate of about 15 percent was taken into account.

Those in the most desperate plight were the workers who retired before December, 1973 when substantial pay increases were granted to Railway workers.

"We have asked the Minister to increase the pensions of this group by a third to bring them into line with the other pensioners," Mr. Abbott said.

The former president of the Federal Consultative Council of Railway Staff Associations and of the Artisan Staff Association, Mr. J. H. Liebenberg, confirmed that the pensioners were having a desperate struggle to maintin living standards.

"When they retired many of these people were relatively well off with their pensions. During the past four or five years, however, the effective buying power of pensions has dropped by nearly 50 percent."

Mr. Liebenberg said he retired three years ago and since then his pension had been increased by R4 a month, against a rise in the consumer price index of about 30 percent.

"This country and the Government must face the situation squarely. The number of aged people is growing rapidly. The problem of the aged is probably our greatest social problem."

Cape Times 15/7/75

R4,5m for aged

MORE THAN 30 elderly Coloured people have been housed in the past few weeks at Bishop Lavis in the first stage of an R4,5m scheme which will provide homes for 900 old people in the Peninsula in the next five years.

Mr Alan Johnson, the acting secretary of the Cape Peninsula Welfare Organization for the Aged, which is behind the project, said the CPWOA plans to build five old people's homes — three for Blacks and two for Whites.

So far the CPWOA has been given or promised R75 000 towards the homes.

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Inflation and your pension

F.M. 18/7/75

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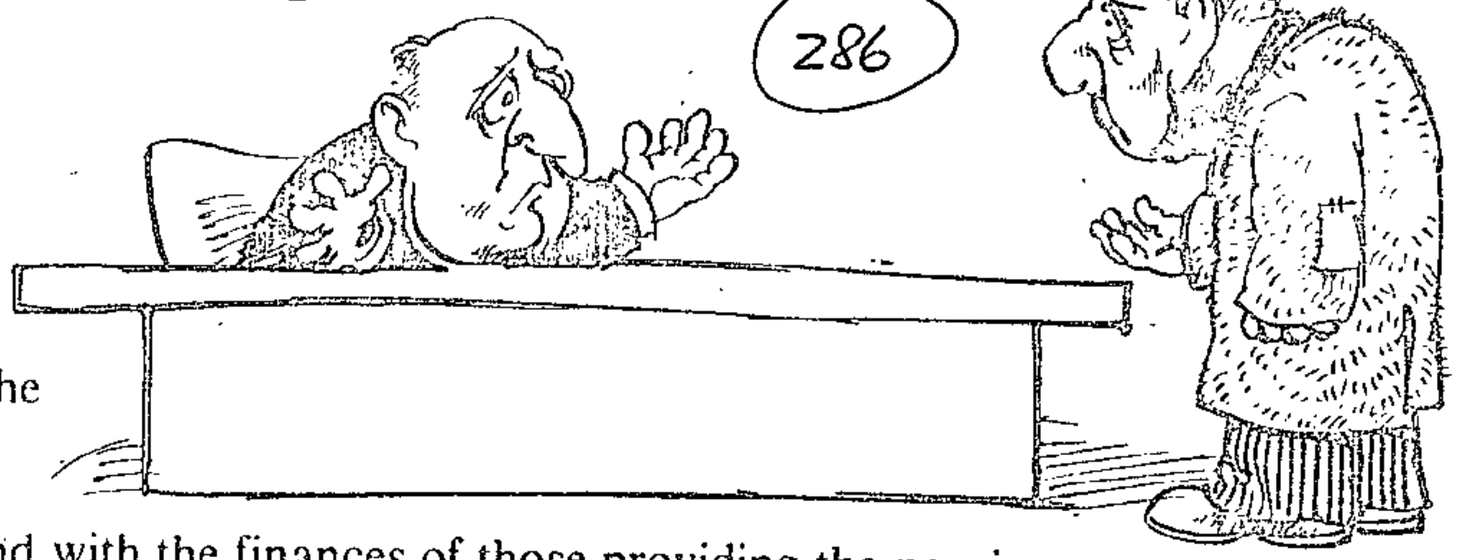

The dangers of continuing inflation are legion. Not least is the havoc it can play with the expectations of pensioners — and with the finances of those providing the pensions

Inflation threatens to play havoc with the £2 000-plus invested in the privately-administered pension funds, to say nothing of the many millions in State-controlled and other funds. As returns on assets drop further and further below the rate of inflation, a situation is developing from which nobody can possibly benefit.

With double-digit inflation likely to continue into the foreseeable future, so forcing up salary levels and consequent pension liabilities, a mix of superhuman investment skill and luck will be required for the funds to meet spiralling liabilities without heftily increased cash contributions from their sponsoring companies.

By law, 50% of a fund's portfolio is required to be invested in government and quasi-government stock. Last year, the average return on this prescribed fixed interest portion would have amounted to —6% (the return being negative when depreciation in market value of securities exceeds interest income).

Taking the inflation rate at 14%, pension funds last year would have had to show an impossibly high return of 34% on the discretionary portion of their assets merely to reach the break-even point for solvency — the point at which net income is equal to the inflation rate.

Of course, the essentially long-term

WHO HAS THE ANSWER?

During the next few years, the position of pension funds is likely to be very difficult. On the one hand, pensioners will be clamouring for increased pensions. On the other, funds will be running into deficiencies.

In the final salary type of pension schemes, members will retire on adequate pensions. But after a few years, if inflation continues, they will find that their pensions are insufficient for their needs and that they face a diminishing standard of living. If inflation persisted at 10% pa for a period of 10 years from the date a pension is awarded, the value of the pension at the end of the 10-year period would, if unadjusted, be only 40% of the value of the pension at the date it was awarded.

Funds may be able to create reserves from which to meet an annual increase of say 3%. This does not help very much if the inflation rate is over 10%.

To do anything worthwhile in the way of providing cost-of-living increases would add 20% to 40% to the cost of pension schemes. The only way of meeting the position is by increased contributions. To what extent can employers and employees be expected to pay in additional amounts to help former employees who have retired?

This is a question I will not attempt to answer.

C M Payne, general manager, Witwatersrand Gold Mine Employees Provident Fund.

nature of pension fund investment does help weather the bad patches experienced over the short term. But inflation has meanwhile worsened, to make even the short-term look uncomfortingly long, particularly for those funds more recently established. Even the returns of the established funds whose assets would partly be cushioned by the book values at which they were purchased years ago, are looking a little sick against a current 15% inflation rate.

From 1971 to 1973 inclusive, a consulting actuary calculates the returns of some 20 major funds at 8,1% on prescribed stocks, 9,3% on other fixed interest investments, 17,3% on equities and 11,6% overall. For 1974, though variations could be wide depending on the proportion of mining shares, he reckons the figures might read —6%, —7%, —10%, and around —6% overall.

"It is clear," he deduces, "that company rates of contributions to pension funds will have to be much higher over the next few years than anything previously comtemplated." Nor can the possibility of steeply increased contributions from employees, too, be excluded.

Just how much is needed is already being seen, both overseas and locally.

The extra contributions required can frequently amount to more than even the largest corporations can pay in any one year, representing a potentially major liability for the future, currently undisclosed in company balance sheets.

In the US, estimates *Fortune*, these "unfunded liabilities" amount to as much as one-third of the net worth of scores of large companies, "and the proportion sometimes runs higher still". It is 46% at Western Union, 53% at Bethlehem Steel, and 86% at Uniroyal.

Similarly in the UK, where the situation has been dramatically spotlighted by the £38m set aside by BP to cover an updated actuarial assessment of *part* of its back-service pension liabilities.

SA is not escaping. Though many companies are still able to ignore the problem, or treat increased provisions as normal business expenses, and so have no need to itemise them separately, others consider detailed disclosures of the contributions inevitable. As one financial director put it: "There is no point in postponing these provisions, as we would then only have to deal with a larger problem later".

Those who are already topping up their funds include:

- Barclays, where a further R250 000 was transferred to its fund last year. This comes on top of a R2m "special contribution" in 1973 and R1m the year before.
- OK Bazaars, which has put in R140 000 (R94 000). "The amount to be set aside will be computed by making each year, in respect of persons retired at that date, an estimate of benefits which are likely to become payable in the future to such persons... and charged to income".
- GFSA includes a "sundry expenditure" for 1974 of R3,1m in its consolidated income statement as the first leg in making up its fund's R5,1m deficit, which it intends financing over three years.
- Palabora Mining notes that "the continued inflation pattern has necessitated several adjustments". In 1973, its profits were charged with R3m which, "together with increased future contributions", will be sufficient to finance future benefits.
- Edgars Stores has had to cough up R383 000, of which R150 000 was provided last year with the balance to come from this year's earnings.

It might not be unreasonable to adopt the argument that the topping up of pension funds is a social cost, which businesses simply have to bear. But with liquidity tight and companies ploughing back higher proportions of their inflationary profits to finance new stocks and plant, their obligation to make good pension fund deficits represents an additional drain on earnings. This may ultimately serve even to reduce dividends, which would in turn make equities less attractive as an investment for the pension funds and capital more difficult to raise.

Even property, traditionally the soundest of all hedges against inflation, is a little uncertain — particularly for the younger funds. Having climbed into the top of the market a few years back, they have yet to enjoy much capital appreciation of their freshly-equipped portfolios as oversupply of office and shopping accommodation has held rentals constant. And in the UK, of course,

THE TAX ANGLE

An employer who pays an amount into a pension fund in excess of the normal contribution to enable the fund to meet the problems caused by inflation, or who directly subsidises the pensions of past employees or their dependents, can face tax problems.

This is the opinion of J R P Morris, Professor of Tax at Cape Town University.

Following the decision in the case of W F Johnstone and Co versus CIR (Appellate Division, 1951), such payment may well not rank for deduction under the general formula.

However, there are special provisions in the Income Tax Act which will help in certain cases, argues Morris. Section 11*(l)* would permit a deduction if the payment to the fund represents a lump sum contribution. The Secretary for Inland Revenue is then empowered to split the amount and allow the deduction only over a period of years. But if the payment relates to employees who have already retired, the wording of S11*(l)* leaves doubt as to whether the payment falls under the relevant section at all.

In the case of supplementary pensions paid directly to employees or their dependents, S11(*m*) permits a deduction so long as they are paid by way of an annuity. However, in the case of dependents, there is a limit of R1 000 pa to the allowance under S11*(m)* for all the dependents of any one ex-employee.

property values have slumped, compounding the problems of pension funds there.

While a prime SA CBD investment would today earn around 9% net, the funds must have confidence in the prospect of long-term recovery to finance the gap between uneconomic rental income and the erosion of inflation.

The outlook is scarcely heartening for fund managers, who can look forward to virtually nothing other than equities and property for the growing source of income on which they depend. Apart from the principle that the funds should be able to stand on their own, there is an obvious limit to the extent to which companies can continue topping up fund deficiencies from earnings. Nor is it desirable that fund members should be at risk for pension benefits on the extent to which a particular corporate philosophy, to say nothing of profit performance, dictates the generosity of continuing contributions.

This raises the question of that 50% of assets directed by law into "prescribed" securities. Originally the aim was to ensure safety. And now, naturally enough, government is still keen to get its hands on as much as possible of the R250m-plus which the funds have to invest each year.

However, yields on these prescribed assets are standard at under 10%, and growth is restricted. This necessarily limits the funds' capacity to match contributions and investment performance with liabilities.

The time has surely come for government to consider the removal of this artificial restraint on investment freedom, in the interests of both better balanced portfolios and fund solvency. That which made sense in times of monetary stability makes nonsense in times of high inflation.

Coupled to declining investment performance is the impact of inflation on wage and salary levels. As these have rocketed in recent years to keep pace with the cost of living, funds using the more popular method of calculating benefits on the final three to five years of an employee's salary have increasingly felt the pinch. Their problems are compounded by the fact that they haven't had use of inflation-affected contributions for the earlier 30 or so years of the employee's working life.

That salaries have risen out of all proportion to contributions creates difficulties as great for the "money purchase" pension schemes.

Though the latter are under less strain to meet liabilities by the nature of their structures, which relate the ultimate benefit to an employee's contributions over his entire working life and not the final salary, they are as obliged to perform successfully so that the benefit will cushion the pensioner from inflation.

And they, too, could still require topping up. Motor industry employers, for example, have started contributing 25c per week per journeyman to subsidise the pensions of employees who were at a fairly advanced age when the industry's fund was founded.

So long as a fund's income exceeds its pension outgoings in any given year, there might appear to be no problem. But the real test, intensified by salary increases, comes where the funds sit down to discount liabilities to their present value and assess whether the present value of assets is equal to the present value of liabilities.

In an inflationary situation, assets tend to fall short of liabilities to such an extent that, in the UK, it is estimated that each 1% pa additional inflation, unmatched by a corresponding improvement in investment return, is likely to result in an increase in the needed contribution rate of 3% of payroll.

Actuarial assumption Number One must be that inflation will be contained. If it is, the long-term nature of pension fund investment, and the inherent stability of the funds, will mean that the current experience is short-lived.

If it is not, it is scant consolation that meaningful pension benefits won't be the only part of the social fabric in danger of collapse.

STAR 26/7/75

SA 'has more aged'

Pretoria Bureau

There was a population explosion of the aged in the western world, including South Africa, the Minister of Community Development, Mr A H du Plessis, said today.

Speaking at a home for the aged in Zeerust, Mr du Plessis said that in 1900 six percent of Europe's people were aged. Now the percentage was 12.

In South Africa the number of aged had risen in the same period from two percent to eight percent of the population.

This phenomenon had a big effect on economic and social life in any country and in South Africa the authorities were "giving thorough attention" to it.

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Aid for Soweto's aged 'will ease hospital load'

Rand Daily Mail 31/7/75

Staff Reporter

IN SOWETO there were no facilities for the aged, the crippled or the mentally retarded, said Dr Selma Browde, after yesterday's meeting of Johannesburg's action committee on the aged.

"Baragwanath Hospital takes in abandoned babies, cripples and the aged so there is no room for the acutely ill.

"It is a crazy waste of money to finance beds in a hospital for these cases," Dr Browde said.

By providing services for the aged, the action committee could relieve the load on Baragwanath Hospital, she said.

Although the policy was for the African aged to retire to the homelands, there was nowhere for people who had lived in the urban areas all their lives to go in the homelands, Mr Boyce Eagar, chairman of the action committee, said.

There were about 50 people predominantly aged at the Soweto transit camp intended to house the aged en route to the homelands for a maximum of 72 hours.

Dr Browde and Mr Eagar are to see Mr J. C. de Villiers, chief director of the West Rand Bantu Administration Board who is responsible for the transit camp, to discuss what the action committee can do to ease the lot of African pensioners without contravening the laws of the land.

Meanwhile the priority aim of the action committee, to establish a comprehensive geriatric service in the heart of the city, has met with problems. So far none of the buildings considered has been suitable.

Since the establishment of the Senior Citizens Foundation as a result of the Rand Daily Mail's investigation into the plight of pensioners, more than R1 500 has been donated and money was still trickling in.

In addition there was R16 000 which had been earmarked for a service centre after Mr Eagar outlined the need for such a centre in a newsletter earlier this year.

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The Bantu pensioner will be hit the hardest

Graaff-Reinet Advertiser 31/7/75

By Arthur Knott-Craig

THE increase in the housing fees in the Bantu township will hit the Bantu pensioner the hardest, I am told informatively, and I can well believe it when they have to live on a pension of R10,50 a month, paid at the rate of R21 every two months.

Last year the Bantu pensioner received an increase of R3 paid every two months, and they were grateful because it helped them meet the spiralling costs caused by inflation.

They are mainly the people who paid 30c a month in lodger's fees, and who will now be called upon to pay R1,15 a month — an increase of 283 per cent.

I was told this by one who constantly helps these people to "eke out a living" on their pensions.

They live on "suurpap", "mealiepap" and water, because of the increase in the price of milk, bread and maize, coal, wood, and least of all clothing.

A European man told me that he had to have his domestic released from prison because she had not paid her rent.

I was informed that if people do not pay their rent, they are given notice that they will be evicted, and then they are thrown out of their homes which are locked, until they can "beg, borrow or steal" the money.

These people live such a life of poverty that they "help each other out" in an effort to live.

I can see only one way out of this dilemma which has been caused:

Bantu pensioners will have to be given an increase in their pensions to meet the increased housing costs levied by the Bantu Board

Local authorities will have to increase the wages of their labourers.

Townsmen will have to put their hand deeper into their pocket if they wish to employ the Bantu.

Focus on the pl

What is it like to be old and poor? A Daily Dispatch team investigates the conditions under which thousands of people on the Border live and unanimously agree: conditions for pensioners must be improved, RITA BEZUIDENHOUT, VATISWA NTSHANGA and BENITO PHILLIPS report.

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Daily Dispatch 4/8/75

A paradise for whom?

Whom to help first? That's the dilemma facing social workers and old age homes.

East London has been described as a "pensioner's paradise," and has one of the highest percentages of old age people.

Old age homes in the city cater for 229 people too old to fend for themselves—and there are at least another 300 names on the waiting lists of the six homes that look after those in their twilight years.

"They are all in desperate need of help, and the only answer to their problem is to be admitted into an old age home," the secretary of Red Cross", Mr L. Marshall, said.

Some pensioners live in tiny rooms where they have to cook and sleep, and from their meagre State pension of R57 a month they have to pay rent, water, lights, and food. They cannot keep up with the rising cost of living, and have to go without facilities that others take for granted, such as entertainment.

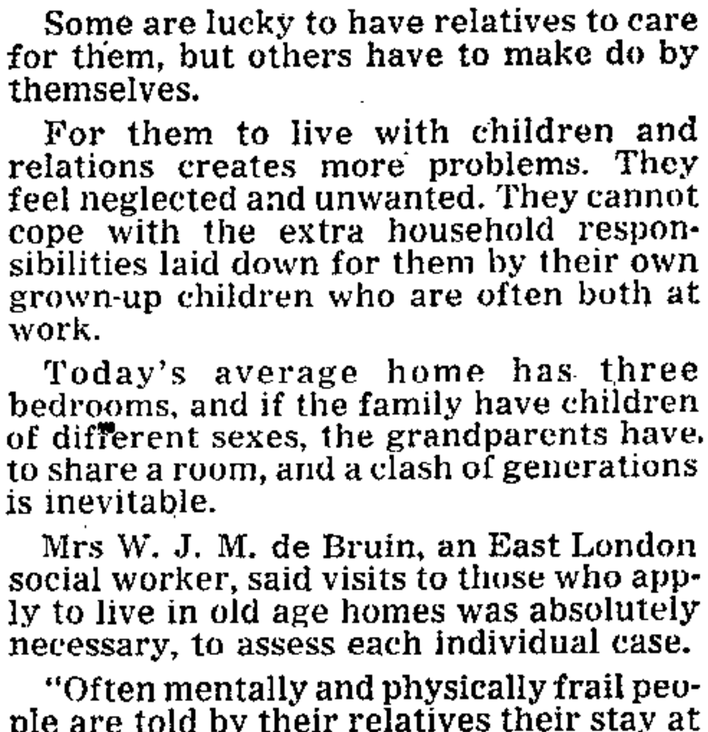
Some are lucky to have relatives to care for them, but others have to make do by themselves.

For them to live with children and relations creates more problems. They feel neglected and unwanted. They cannot cope with the extra household responsibilities laid down for them by their own grown-up children who are often both at work.

Today's average home has three bedrooms, and if the family have children of different sexes, the grandparents have to share a room, and a clash of generations is inevitable.

Mrs W. J. M. de Bruin, an East London social worker, said visits to those who apply to live in old age homes was absolutely necessary, to assess each individual case.

"Often mentally and physically frail people are told by their relatives their stay at the old age home is not permanent, and once they realise the true situation—that it is permanet—they feel rejected and inferior, making adjustment difficult, and breaking their trust in the social worker. Then, only when they are used to me, do they accept the situation.



Mrs N. Herselman

"Some seek admission, not because of an illness, but because of loneliness and their fear of deterioration. Having no one to care for them, no permanent home—often roaming from one child to another—makes them want to come to the homes.

"Also they become disturbed because of lack of money and because they are unable to adjust to the change of lifestyle and tempo when living with their children.

"Once they have been admitted to the homes, group work is arranged for them. Social workers have found active work for the pensioners is essential.

"We have started a physical fitness class; and a dancing class is being arranged," Mrs De Bruin said.

When pensioners living in rooms get sick, they have to pay a normal fee to be attended to.

A nursing sister running a nursing service said her organisation was unable to assist pensioners free of charge or at a lower fee, because of a fixed fee set at her head office.

"Pensioners are unable to pay the fee we ask, but I have long lists of black nurses who have dropped out of nursing for personal reasons, but really want to do it. If the Provincial Administration allowed them to care for the aged, the fee would not be so high, and the pensioner would be able to afford it.

"Why don't the closed wards at the Frere Hospital be reopened to nurse pensioners? Blacks are more sympathetic, humorous, and tolerable to the aged," she said.

Mr Marshall, Red Cross's secretary, agreed.

"Because East London is a pensioner's paradise, and the shortage of white nurses, black nurses should be used, and colour should not be brought into it," he said.

All the pensioners interviewed needed help, and most lived in small rooms. They had hardly any entertainment.

Mrs L. Byers, 72, has been living in a room in King Street for three years. She suffers from bronchitis, but hasn't had proper medical attention, because she cannot afford it.

Batteries lay at the foot of her door "to keep the rats out," she said.

Out of her pension of R80 a month, she helps her daughter, whose husband is dead and pays rent of R15,30, water, lights, and has to clothe herself.

We found another pensioner, Mr J. Greyling, living alone in a sparsely furnished house in Bushview Terrace.

"Afte my wife died three years ago, I've lived alone. The house was burgled a few days ago, but luckily they never stole

ght of the pensioners

"If the mountain won't come to Mohammed, pensioners must go to the paying centre . . ."

much. I won't give it up, because a room would work out more expensive," he said.

Mr Greyling does all his own household chores, and out of his pension of R56 a month he pays R25 rent, and the rest is for food and anything essential he needs.

"The only form of entertainment I get," he said, "is when friends come around to visit."

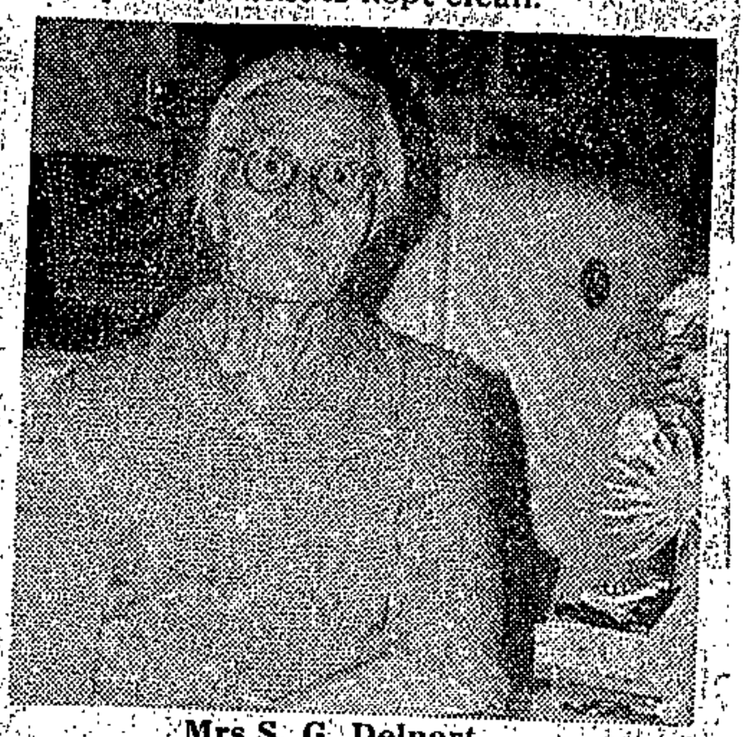
Seventy-nine year old Mrs S. G. Delport, lives in a cottage—alone.

She still keeps active by doing her own housework, and is still interested in plants. In her spare time she makes patchwork quilts.

She is lucky enough to have her son living across the road, and her daughter-in-law does the shopping for her.

"Life is hard," she said, "but I make do—I just have to."

Mrs E. V. Kay, 74, lives in a room in St Peter's Road. The room has a cold atmosphere, but it is kept clean.



Mrs S. G. Delport

"I can't come out with my pension, but my daughters help me.

"I'm scared of going into a home, because maybe I'd see worse cases than myself, and that would upset me," she said.

Mrs Kay sleeps and cooks in her room, and has no entertainment.

In a tiny room in St George's Road, is 72-year-old Mrs N. Herselman.

She cooks, sleeps, and does her washing in the room.

"I won't live with relatives or children because I won't have any privacy, and there is always unpleasantness," she says.

To this she added: "Even although I cannot cope with the high cost of living, I'd rather live by myself."

Next door to Mrs Herselman we found Mrs A. Kempson, 65.

Mrs Kempson had a leg injury earlier this year. "But thanks to the welfare, I didn't have to pay the bill," she said.

She cannot afford today's living, and has to pay rent of R25, has to feed herself, and has no entertainment.

That is the life of the old and lonely who cannot get into old age homes because there are not enough of them in East London to cope with the demand.

Why?

Facing seclusion, poverty, starvation

Black pensioners in the old age houses in Mdantsane live in 2,42 by 2,42 metre rooms in which they have to cook, sleep, eat and live.

All those interviewed said they had no form of entertainment and one said the only form he knew of since he left his R6 a week job, 12 years ago, was having a drink with friends.

Many depend on their R21,50 every-two-months pensions, assistance from relatives and asking for something to eat when they run out of money.

Doing the rounds among pensioners in the township, brought us to the realities of the difficulties they have to face in their lives of seclusion, poverty and starvation.

Perhaps the most colourful and interesting of all was Mr S. Phili who was born in Malawi and came to South Africa in 1915 and has lived here ever since.

Mr Phili who still calls his country "Nyasaland" was quite different from the other pensioners. While others lived in conditions of squalor, his room was kept clean and a testimonial issued to him by an oil company official in 1931 emphasised his penchant for cleanliness.

He speaks Xhosa, Sothu, Zulu, Nyanja, Afrikaans and English and does his own cooking, cleaning and washing.

"When I feel fresh I go out to get some herbs — a trade I learnt during my youth at home — and this goes a long way towards supplementing my pension," he said.

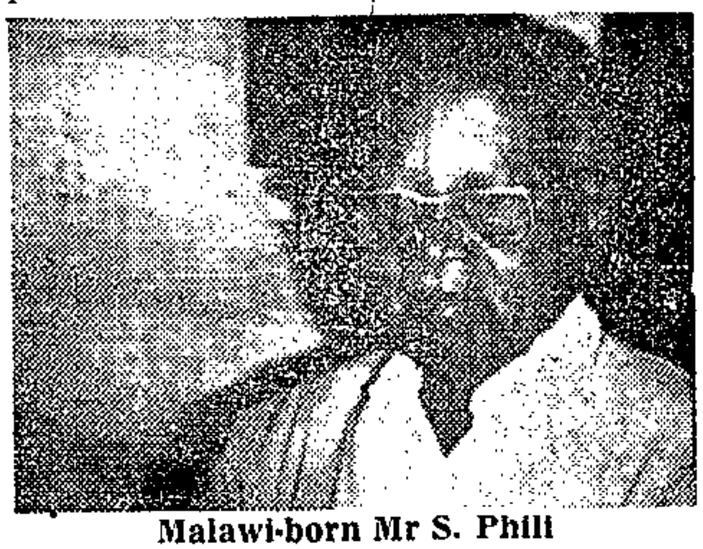
And what did he do when the herbs were not selling and the pension money was spent? "Well, we live with people and when they see we ask for food they give us," he said.

Mr Phili complained about lack of privacy in their rooms which were interleading.

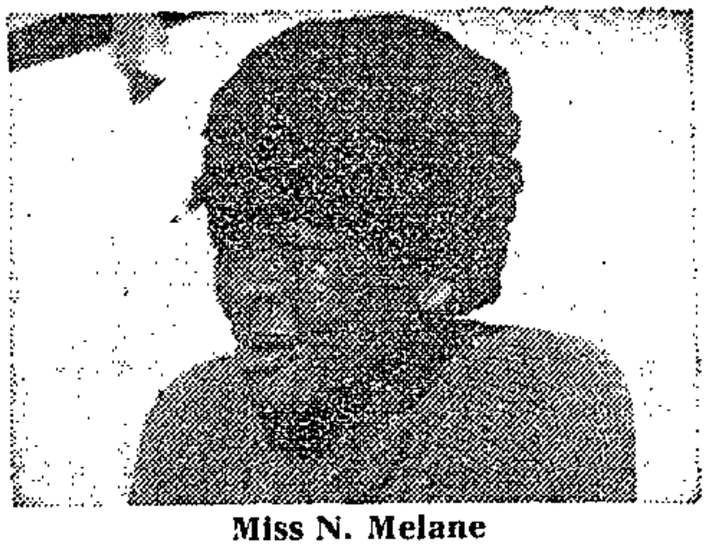
"Sometimes Gasela (his neighbour) gets home late and I have to get up and open the door for him and no old person can ever enjoy that. Why can't they build separate rooms with separate doors?" he said.

His only form of entertainment is reading the Bible. He has a Nyanja Bible he bought in Kimberley in 1938.

Although Mr Phili served in the First World War he gets no war pension.



Malawi-born Mr S. Phili



Miss N. Melane

We asked him why he looked younger than his 82 years. "Keep away from drink. If you drink, you can never enjoy long life," he suggested.

Other pensioners had similar problems but we found their homes not as habitable as Mr Phili's.

Mrs Jane Temele who lived on a farm in Amalinda before moving to Mdantsane in 1968 said their problem was making ends meet.

"And the authorities do not care much for us", she said, pointing to a sickly old woman lying on the floor.

"That woman was brought here to die. I do not even know who she is. She gets no ration, has no money and no one to look after and I am expected to look after a complete stranger," she added.

Two days later we learnt the woman had died and had been removed to the mortuary by police.

Mrs Temele said she looked after seven children and found it difficult to feed them from what she earned.

"But we have to look after our gardens for more food and most women here are good gardeners," she said.

Mrs A. Ngqobo was luckier because one of her daughters had been instructed by the magistrate in Mdantsane to look after her and she also got a disability pension.

"That does not last to the end of the two months but it is better thanwhat others get during that period because whatever we get we share," Mrs Ngqobo said.

73-Year-old Miss N. Melane used all her wit to convince us she was not less active because of old age.

"If it were not for my employer (a sweet factory) who thought I was too old to work and pensioned me off, I would still be working," she said.

She did not qualify for the Government old age pension because she got a pension of R23 a month from her former employer.

"And I do not have to ask anyone to take me to town to collect my money. I am strong enough to do so myself;" she said with a smile.

When did she come to East London from Kentani where she was widowed after only six years of marriage? "Just before Clemence Kadalie's strike," she said.

She added that she would have gone back to Kentani if she had had children but since she had none there was no point in going back. Her pension from the sweet factory was her child, she said.

Not living, but surviving

Coloured pensioners do not live but merely survive on the meagre pensions they get monthly from the Department of Coloured Afairs.

This was the opinion of the East Cape member of the Coloured Representative Council Mr J. H. Nash.

"Coloured pensioners receive between R27,50 and R29,50 a month. This is half of what white pensioners get," Mr Nash said.

Mr Nash who administers pensions of 20 pensioners said each one is given a food parcel of R5 every second week. From the balance their rent of R6,95, water and lights of R3 a month is paid.

Coloured areas.

"In Pefferville pensioners pay up to R12,50 a month for a two-roomed dwelling. This is excluding their water and lights, food, clothing and doctor's bills," Mr Nash said.

There is not a single old-age home for pensioners in East London.

It is believed that the State is prepared to advance R28 000 towards the erection of such a home while the Department of Coloured Affairs is prepared to furnish the building.

They also get 50 cents vegetables a week, 50 cents meat a week and one rand is paid into a funeral insurance policy.

Each of the 20 pensioners receive a food parcel of one rand from a service club. They are each given one rand pocket money.

Mr Nash said the balance of the money is used to buy clothing or anything else they require. If the money is not enough it is accumulated until it is enough to buy whatever they require.

Mr Nash said records are kept of how he administers the pensioners' moneys.

He said there were 380 old-aged pensioners, more than ten of whom receive a disability grant, and more than 100 who receive war veterans pensions.

"Pensioners with schoolchildren receive a special grant," he said.

The East London City Council has decided to grant a R2 relief in the change over from pre-payment meters to the normal kilowatt electricity meters.

This followed an appeal by pensioners and a recommendation by the Coloured Management Committee that pensioners could not afford to pay for the new meters because of the increase in rentals and cost of living.

The pre-payment meters were replaced in 1969 when the City Council had agreed that maintenance and repair costs were becoming exorbitant.

"In Pefferville pensioners find it much harder to cope with their pensions because the rent is double that of the other

People really care about aged now

Rand Daily Mail 7/8/75

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By LYNN STEVENSON

PEOPLE who are concerned about the plight of pensioners are helping to ease their lot.

Yesterday, for instance through the kindness of Holiday Inns, 40 of Johannesburg's aged were treated to a free cinema show and chocolates. Some of the pensioners had not had an outing for years.

A key figure in the campaign to give better life to pensioners and other elderly people is Mrs Hilda Jones, a social worker at the Johannesburg Council for the Care of the Aged.

When the Rand Daily Mail started its investigation into the problem of Johannesburg's senior citizens, reporters relied heavily on her knowledge, enthusiasm and cooperation.

Now that people have become aware of how lonely and ill cared for these elderly people can often be and have responded with offers of help and entertainment, Mrs Jones has been energetically providing extra services for her elderly charges.

She arranged which pensioners from Bertrams and Mayfair should go to yesterday's cinema show: She arranged each week for two pensioners to have their hair done free at Francis et Cie, which offered this service to the city's aged after reading the findings of the Rand Daily Mail investigation.

A Johannesburg florist Mr Paddy Cuthbert regularly invites six pensioners to lunch and relies on Mrs Jones to select them. He programmes the delicious meals himself and provides food-hampers and corsages for his guests to take home after their outings.

Yesterday she appealed to those people wanting to help pensioners to drop off any old pots, pans and other kitchen utensils at Happiness House, in Rissik Street instead of throwing them away. There are many pensioners who will be glad of them.

The Johannesburg Red Cross Geriatric Advisory Centre reopened this week after standing idle for three years because there was no volunteer doctor to run it.

Dr Laurie Adler, former Medical Officer of Health for Krugersdorp, volunteered his services after reading a Rand Daily Mail report on the plight of the clinic.

Five other doctors have also volunteered to help at the clinic.

"We aim to detect illnesses before they become chronic," said Mrs D. Hartley, who helped to establish the centre 10 years ago. "The doctors give patients a thorough examination — eyes, ears, nose, throat, lungs and heart — and pay particular attention to any pains. They can then advise them whether they should consult a private doctor or visit the General Hospital.

The service at the centre is offered to any person 60 years or older and is entirely free. It is open from 10 am on Tuesdays and Thursdays, on the fifth floor of Red Cross House, 77 De Villiers Street, Johannesburg.

Patients should make appointments in advance by telephoning the Red Cross Time Club at 22-8251.

Experts on the aged

Staff Reporter

SOUTH AFRICA lacked expertise in geriatrics — no student of medicine or the allied professions had any specific teaching in the subject, said Dr G. R. Beaton of the University of the Witwatersrand yesterday.

"To my knowledge there is only one doctor in South Africa who is recognised as an authority on geriatrics. No medical school here has a section devoted to geriatrics", said Dr Beaton, director of the Division of Continuing Medical Education at Wits Medical School.

To counteract the problem his division had organised an inter-disciplinary course at which three overseas geriatrics experts and 30 local speakers would lecture.

The overseas experts would be Professor Sir Ferguson Anderson, Professor of Geriatrics in Glasgow, Prof Samuel Gershon, Professor of Psychiatry at New York State University, and Prof Antonio Arrigo from Parvia, Italy.

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Pension Partners' first portfolio

Cape Times 9/9/75

PENSION PARTNERS, the new property investment scheme pioneered by property economist Dr Peter Penny, has announced its first partnership scheme with the purchase of an R6,7m portfolio from the ailing Summit organization.

First Pension Partners, as the partnership will be known, has acquired Rand Bank Centre in Braamfontein, Nedbank Plaza in Hillbrow and the Durban Rand Bank Centre at a price that is well below replacement cost. Summit Real Estate is currently under judicial management.

The transaction was concluded by Dr Penny, who is managing director of Herbert Penny (Pty) Limited and professional adviser to the partnership, and Dr Charles Ferreira, managing director of Mercabank Limited, independent managers of the scheme.

The portfolio is the first in a series of acquisitions by Pension Partners which will enable the participating pension funds to invest directly in real estate, an inflation hedge with a far better record than equities or fixed interest stock.

Through the medium of a limited liabilities partnership, pension funds, previously restrained by lack of expertise and the difficulty of spreading risk, can now overcome these problems without losing control over individual investment decisions.

Further acquisitions will form the basis of other partnerships. Dr Penny says several pension funds have already expressed the intention of participating in second pension partners, which is negotiating to acquire a R5m portfolio involving a lease back for a major tenant.

Investment decisions are taken on the advice of a steering committee of pension fund managers. Funds represented are Iscor Pension Fund, Rand Water Board Pension Fund, Motor Industries Pension Fund, Rock Pension Fund, African Finance representing Afrox Pension Fund and Perskor Provident Fund

With one exception, the funds on the committee have participated in First Pension partners. The additional participant in this partnership is Huletts Pension Fund.

The FPP portfolio shows a satisfactory commencing yield and a minimum annual growth of 5 per cent compound although annual growth is expected to outstrip five per cent, as several below-market rental leases expire in the next three years.

The Braamfontein and Hillbrow properties are well let at present and the Durban property has only a small vacancy factor. Major Durban tenant, Rand Bank, has indicated that it will not exercise its "bargain" rental option when its lease expires at end-1977.

The company is expected to move to Amaprop's 320 West Street, but will continue to pay rental until the termination of its lease.

Acquisition of this first portfolio indicates acceptance of the partnership concept by pension funds and crowns three years of development work by Dr Penny, supported by leaders of the pension fund movement and with the assistance of several government departments.

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Hotel men call for subsidy for aged

ARGUS 11/8/75

THE National Federation of Hotel and Accommodation Associations (FEDHASA) has appealed to the Minister of Social Welfare and Pensions to subsidise accommodation for old-age pensioners.

A possible scheme, outlined in the latest issue of Hotelier and Caterer, FEDHASA's official journal, includes a list of select establishments which meet standards acceptable to the department, a ceiling tariff for rooms to be used by subsidised pensioners with the pensioners paying a set amount of the tariff, the balance to be paid from State funds.

FEDHASA claims the scheme would result in less State institutions having to be built, that it could be less expensive for the State and that the pensioners would be much happier.

'Most of the homes for the aged are in quiet suburban settings well removed from shops, cinemas and libraries. Yet these are amenities which the aged seek,' the report states.

POOR EXISTENCE

'We see how those who do not manage to get into an old age home eke out an existence in cheap rooms in the poorer areas of the city, cooking for themselves on a paraffin stove.'

The report quotes from a letter to the Minister in which FEDHASA pointed out that a rent subsidy would allow old people a freer and wider choice of accommodation.

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R14 100 for old age home

Cape Times 23/8/78

A CHEQUE for R14 700 from the Administration of Coloured Affairs towards the cost of furniure and equipment for the newly-completed Nerina Home for Coloured Aged in Lavistown was yesterday handed to Mr R R Pettit, secretary fo the Cape Peninsula Welfare Organization for the Aged, by Mr C R Bailie, senior clerk in the welfare section of the Administration.

Mr Pettit said that the home was erected at a cost of R216 000. The furniture cost an additional R35 000 of which the public had contributed R20 000

The home was opened on June 1 and houses 54 physically and mentally frail people.

Natal Mercury 17/9/75

Elderly squeezed

Mercury Correspondent

PRETORIA — South Africa's ageing population is rising rapidly and the number being forced into poverty by inflation and inadequate State pensions constitutes a major national problem, the United Party's authority on social welfare, Mr. Geoffrey Oldfield, MP, said in an interview here yesterday.

He was commenting on the increase in social pensions which start from the beginning of October.

White pensions go up by R7 to R64 a month, Coloured and Asian pensions by R4,50 to R34, and African pensions by R3,75 to a monthly R15.

"These amounts are hopelessly inadequate when South Africa's high inflation rate is taken into account. It is a great pity the Government decided not to pay these increases at the beginning of the financial year."

Mr. Oldfield said that since April the price spiral had wiped out the meagre pension increases.

Pensioners would be no better off from October 1, and probably worse off, than they were at the start of the year.

Mr. Oldfield said there was still too great a disparity between the pensions paid to the different age groups. The gap must be closed more quickly.

Mr. Oldfield warned that the number of pensioners whose savings were exhausted was rising sharply, and hundreds were compelled to live in dire poverty, eking out a miserable existence on unrealistic pensions.

He conducted a pensioners' forum in Durban once a week and he was shocked to learn how inflation was destroying the life's savings of old people.

According to the Department of Statistics, the number of people of all races over the age of 65 was 870 401 in the 1970 census. Of this total, 249 000 were Whites, 61 000 Coloureds, 11 300 Asians and 549 000 Africans. The total now is close to 1 000 000.

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'Immediate' equal pay call by CRC

STAR 12/9/75

Own Correspondent

CAPE TOWN — The Coloured Representative Council decided unanimously yesterday to ask the Government again for the immediate introduction of equal pay for equal work.

Introducing the motion, a Government-nominated member, Mr W S Africa (Fed Party) said it was sad that nothing had so far been done to meet the council's previous repeated requests.

The Government had said it accepted the principle of equal pay for equal work, but nothing had been done.

"Our people cannot eat principles, slogans and promises," he said.

Other motions adopted by the council yesterday included:

- The immediate removal of all statutory and non-statutory discrimination based on colour;
- Equal old age pensions for Whites and Coloured people without a means test or adjustment to the cost of living index;
- The lifting of the present income limit of Coloured people who wanted a loan from Housing Commission funds;
- Freedom for Coloured people to buy farms anywhere in South Africa without being subjected to permits.

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All-race pension parity call

TUCSA delegates yesterday accepted unanimously a call for parity in social pensions for all race groups within three years, immediate standardization of the pensions means test for all groups, and old-age and disability pensions to be paid to persons who qualify whether or not they are employed.

Cape Times 26/9/75

S.A. DIGEST 26/9/75 286

ANOTHER HOME FOR OLD FOLK

The generosity of a millionaire from Germiston, near Johannesburg, will mean another Coloured old-age home in Eldorado Park.

Some time ago Mr Andries Meyer, who died earlier this year, started a R450 000 welfare trust. Subsequently it was decided to give priority to a haven for Coloured pensioners. There is already one in the area — Jordan House, Martindale.

The trust will work through the Protea Coloured Welfare Organisation which it helped to form. Frederic Place, a former convent, expected to open at the end of the year, will be the area's second home.

A three-storey building, it is provided by the Society of St Vincent de Paul, a Roman Catholic laymen's organisation.

Frederic Place will house 51 men and women. It is now being renovated and extended to meet the health regulations.

RAND DAILY MAIL Thursday October 2 1975

Homes for aged Africans 'needed in the cities'

Staff Reporter

IF homes for the African aged were needed anywhere it was in the cities, said Mrs E. Kuzwayo yesterday.

They Government had, however, built several old-age homes in the homelands in recent years, said Mrs Kuzwayo who is general secretary of the international Young Women's Christian Association in the Transvaal.

She was addressing delegates at the geriatric course which is being held at the University of the Witwatersrand Medical School this week.

"Like all communities in South Africa the time for the Black community to be housed in flats to alleviate the housing problem is long overdue," said Mrs Kuzwayo.

Old people could then retain their independence. Several had lost their homes and been left destitute when their children had married.

The African pension of between R10 and R15 every six weeks was more of a frustration than a relief. It gave no incentive to live a decent life.

The African community was in a state of transition. The traditional extended family which gave every member a role in society was disappearing and could never return.

Trade and industry had replaced the skills practised by the old men in tribal societies. Hospitals and creches had taken the role of midwife from the old women, who also used to advise young mothers on child care.

Whereas old people in tribal society had been valued and loved for their skills, age and wisdom, the aged in urban areas had been robbed of their roles.

"This has shaken their dignity and shattered their independence," said Mrs Kuzwayo.

Because of strong religious beliefs the extended family pattern had until recently survived almost intact among the Indian community, said Mr C. Saloojee, director of the Johannesburg Indian Social Welfare Association.

In eight years only 12 aged Indian people in the Transvaal had needed to be placed in the two Indian homes for the aged in Natal.

Since the removal of Indians to Lenasia where houses were too small to house an extended family, attitudes had changed.

The nuclear family — consisting of just parents and children without grandparents — had started to emerge and had already created the problem of loneliness.

"I believe the extended family will disappear altogether in the Indian community as urbanisation and industrialisation exert their influence," said Mr Saloojee.

City to equalise CoL grants

ARGUS 31/10/75

The Argus Municipal Reporter

THE City Council will pay equal cost-of-living allowances to all its pensioners — White, Coloured and African — within two years.

The council has agreed to raise the allowances for non-White pensioners in phases and to equalise them by January 1978.

Coloured and African pensioners presently receive allowances equal to about two-thirds of the payments to White municipal pensioners.

R300 000

From January next year the difference will be narrowed to about 20 percent. The allowances to non-White beneficiaries will be raised to 90 percent of the Whites' level from the beginning of 1977, and will be equalised by January 1978.

The increases next year will cost the city about R116 200. Ultimately the allowances will cost the city an extra R300 000 a year.

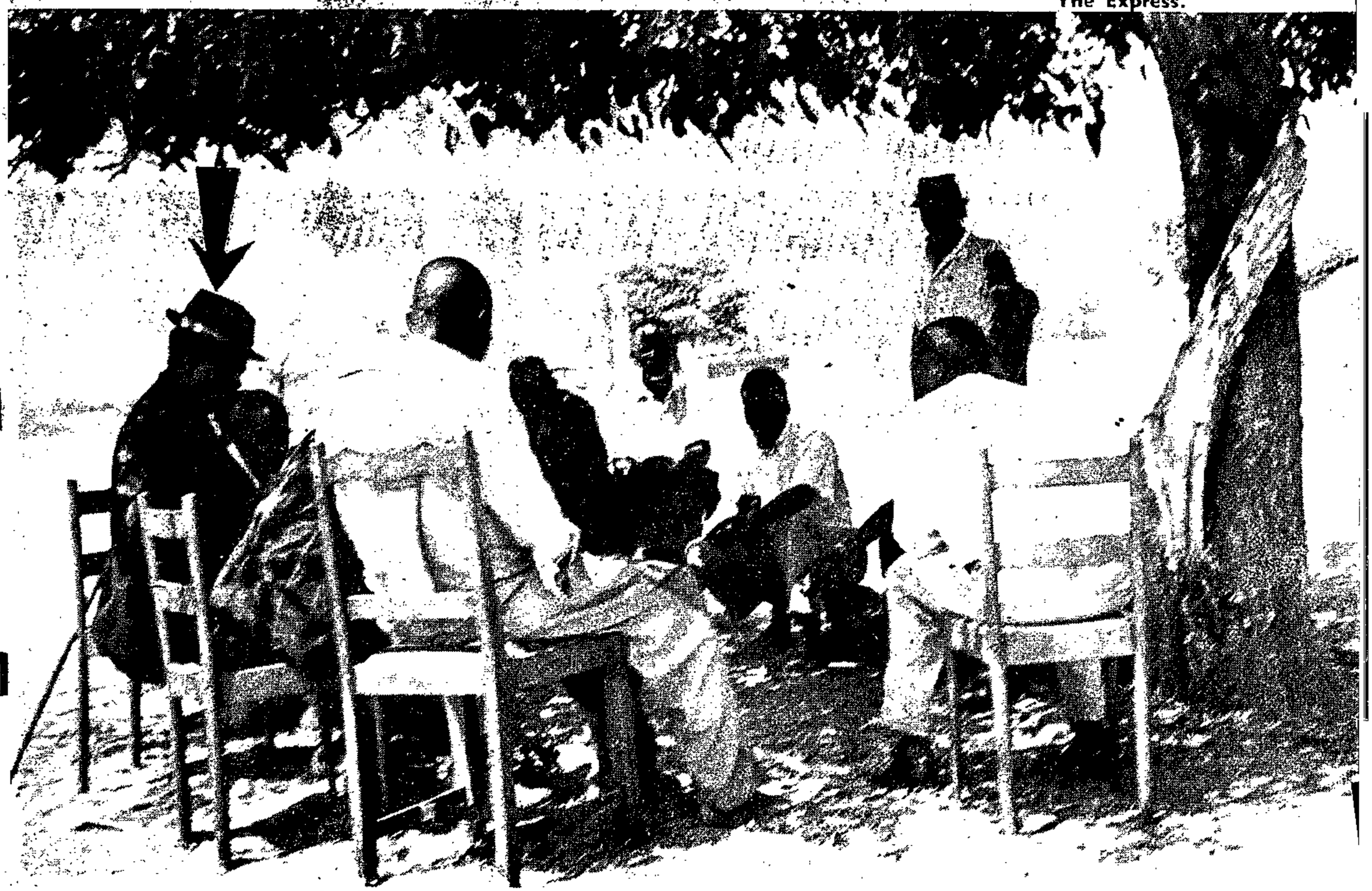
extortion scandal in the bush

RACKETEERS

'I am nearly 90 . . . I was told to pay for my pension . . . I refused . . . I still have not heard anything ...'

—pensioner Frans Mmampuru in an affidavit to The Express.

'Pay R5 or you get no cash...' and even then they get less than they should



● Tribe foreman, Mr George Kekane, (arrowed) at a meeting of the tribe's counsellors.

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Sunday Express Investigation No 1:

THE PENSION

AN EXTORTION RACKET in which old people are having to pay R5 before receiving old-age pension has been uncovered by the Sunday Express.

Besides having to pay the illegal R5, some are getting pensions which are less than the minimum laid down by the Government.

The racketeering is taking place at a tribal settlement called Makeepsvlei about 30km from Marble Hall in the Northern Transvaal. The settlement falls under the jurisdiction of the Lebowa homeland.

Eight men and women ofthe Ndebele of Motle-

By MARTIN CREAMER

lane tribe have made statements to the Express in which they outline how R5 was extorted from them.

They said they paid the money to a senior member of the tribe and were now getting a pension or were about to.

A ninth—a man of about 90—told how he had refused to pay the R5 and was still without a pension.

Four of those getting pensions have drawn less than the minimum R14,50 every two months—the rock-bottom figure laid down by the Government for pensions paid out before October 1.

● Three of the pensioners. One of them, Mr Frans Mmampuru, refused to pay and still hasn't got his pension.

Pensions for aged Blacks are paid out every two months by officials of the Bantu Affairs Commissioner's office at Moutse.

How some of the aged at Makeepsvlei have come to get less than the minimum amount is not known.

The minimum bimonthly figure of R14,50 for social pensioners was laid down in December, according to a Department of Bantu Administration spokesman in Pretoria, with the maximum figure of R22,50.

But from this month the minimum figure has been increased to R22 every two months and the maximum to R30.

Three of the women who made statements to the Express have been getting only R10 every two months — R4,50 less than the rock bottom amount — and one received R13 — R1,50 less.

Mr P. S. Kloppers ma-

Tribesmen say it has become standard practice among the 300-odd people of Makeepsvlei to pay for pensions.

The nine who made statements specified who the individual was who

It was not necessary, he said, for old people to apply for pensions through tribal leaders. They could do so directly through his office.

The nine who made statements were:

● Mrs Ramatsuani Aphane, widow of a war veteran: "I applied for pension in February this year. I was told I would not get a pension unless I paid R5. I paid with a R5 note and now get a pension of R10 every two months."

● Mrs Maria Aphane: "I inquired about a pension in January this year. I was told I would have to pay R5 to receive one. I handed the money over and am due to draw my first pension soon."

● Mr Frans Mmampuru: "I am nearly 90 years old and eligible for a pension. I realised something was wrong when I was told to pay for my pension. I refused. A friend from the city took me to the Bantu Administration offices where I applied directly myself. I still have not heard anything and don't know whether my pension has been granted."

● Mrs Mphete Mmampuru: "I inquired about a pension in November last year and was told I would have to pay R5. "I paid the money and now get a pension of about R15 every second month."

● Mr April Sebothoma: "I asked about a pension in 1973 and paid the R5 asked for. I now get a pension of about R17 every second month."

● Mrs Francina Sebothoma: "I paid the R5 and get a pension of about R10 every two months."

● Mrs Elisebet Sebothoma: "I now get a pension of R10 every two months after paying the R5 I was asked for."

● Mrs Kanyana Maduoane: "I was asked for R5 and paid it to draw my pension."

● Mrs Leah Sebothoma: "I paid R5 in February this year. I am due to get a pension soon."

All appear to be well into the pensionable age, although most are not certain of their ages.

strate at Moutse — a magistrate is the equivalent to a Bantu Affairs Commissioner in the homelands — was asked by the Express what the minimum pensions were. He consulted one of his staff who said the minimum figure was R10,50.

But the Department of Bantu Administration in Pretoria has since told the Express that the minimum was R14,50 and that from this month it had been increased to R22.

Statements by the nine Blacks — in each case made in the presence of at least two witnesses — said that, on top of this, they had been made to pay R5 before application for pension was submitted.

The Express has the names, too, of 12 other old people — besides the nine who made statements — who are said to have been made to pay R5 before having their pension applications submitted.

money for pensions racket.

The tribal foreman, Mr George Kekane, denies emphatically that he demanded or received the money.

Ordered

He refused to speak to me before summoning his 10 counsellors. After waiting some time for the tenth man to appear, he said: "I did not receive any of this money. It would be wrong to charge R5 for a pension because pensions are given by the Government."

He then ordered me, through an intermediary, not to put any more questions to him. "It's quite enough, no further," he said.

Mr Kloppers said it was the first he had heard of the pensions racket. He viewed it in a very serious light and would have to take action.

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POLICE PROBE PENSION RACKET

Sun. Express 19/10/75

By MARTIN CREAMER
Investigations Editor

POLICE this week began a full-scale inquiry into the old-age pensions racket exposed by the Sunday Express last week.

And the Chief Minister of Lebowa, Dr Cedric Phatudi, expressed disquiet and said he would launch his own investigation into the matter.

At the same time a leader of the Ndebele or Moletlane tribe — among whom the racketeering is taking place — called for an inspection of the tribal account to find out what had become of large amounts of money meant to be used for the general well-being of the tribal community.

Last week's report in the Express revealed how old Black people were having to pay for pensions and how some of them were receiving less than the minimum laid down by the Government.

The racketeering is taking place at a settlement called Makeepsvlei, near Marble Hall, in the Northern Transvaal. The settlement falls under the jurisdiction of the Lebowa homeland.

Marble Hall Station Commander, Warrant Officer Johan Roos, said he opened a file on the matter after the Express report.

Tribesman Mr Sam Kekane, whose father was one of the signatories of the title deed over the tribal land, said the pensions racket had been going on in the area for a long time.

"We are generally dissatisfied with the way things are being allowed to get out of hand at Makeepsvlei and want a thorough investigation into not only the pensions racket but also the tribal account," he said.

"The account is kept at the Bantu Affairs Commissioner's office at Moutse, but members of the tribe, including myself, have been refused permission to inspect the tribe's books in recent months.

"It is our right as members of the tribe to be able to inspect these books, but this right is being denied us."

Reports were circulating among tribesmen that R300 had been drawn from the account this year to pay for children's school books, he added.

"But when I made inquiries, I couldn't find any children who had been given books and parents knew nothing about it.

"Receipts were issued to people who paid to live on the tribal land. I tried to collect some of the receipts to see if the money had been entered into the tribal account.

"But at a meeting called by tribal leaders all the receipts were taken from the people and have not been returned."

The Commissioner, Mr P. S. Kloppers, confirmed that he had refused tribesmen permission to look at the tribe's books.

"We keep the books here in trust and do not allow anyone to just come and look at them. Three members of the tribe have signing powers to draw money out of the account — the secretary of the tribe, the tribal foreman and a tribal counsellor.

"These peope are appointed by the tribe and given signing powers. Only after a budget presented by them has been approved, are they allowed to draw money."

Asked if the books were audited, Mr Kloppers said the Auditor General looked at the books from time to time.

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First pension scheme for Blacks

Cape Times 7/11/75

By DAVID DOUGLAS

A GROUP pension scheme for Black workers, including migrants, has been announced by the Old Mutual. Basically, for a payment of R1 a week from age 30, the worker will receive on retiring at 65 an annual pension of R1 000.

For the first time in South Africa it will be possible for employers, whether their concerns are large or small, to make pension provisions for their workers.

One advantage of the group scheme is that it will be possible for workers to continue to be credited with payments, even when they leave one firm for another.

INTERRUPTIONS

Interruptions in service or employment would not affect pension rights, if the worker moved to another company participating in the scheme.

Prominent Black citizens from the homelands and urban areas have been appointed to boards of trustees. They will advise the insurance company with regard to the pension needs of the people they represent.

The boards will also act as advisers on the investment of monies collected.

For full details of the scheme, see Business Report, page 23.

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Welcome for Black pensions

Cape Times 8/11/75

Staff Reporter

THE NATIONAL pension scheme for Black semi- and non-skilled workers announced by Old Mutual this week was yesterday welcomed by both the Cape Chamber of Industries and the Afrikaanse Sakekamer as "a realistic move in the right direction".

Spokesmen for both organizations said that pension schemes were already being implemented on a smaller scale but that a scheme the size of that which Old Mutual and the homeland leaders had agreed to was going to create new pension opportunities.

It would give smaller concerns the benefit of providing pension facilities which they could not previously afford.

"It also helps to draw Black labour into the savings area," said Mr R D Smith, president of the Cape Chamber of Industries.

R1 000 A YEAR

The group pensions scheme announced in Cape Town on Thursday will provide pensions for Black workers, including migrants, for a basic contribution of R1 a week from the age of 30. A contributor would receive an annual pension of R1 000 at the retirement age of 65.

A major advantage of the scheme is that workers will not loose benefits and will be able to continue with the scheme even if they leave one firm for another.

Employers of servants may use pension plan

Financial Editor

EMPLOYERS of Black domestic servants will be able to take advantage of the Old Mutual's Group Pension Plan which was launched recently.

Mr. E. J. Fourie, the company's pensions' manager in Durban, said yesterday that people wishing to make provision for a pension for their servant would be asked to pay the Old Mutual an annual subscription in advance.

An annual contribution of R60 would provide R103 a year at the age of 60 after 10 years in the plan. After 25 years, at the same rate of contribution, the annual pension would be R575 at 60 and R637 at 65.

Mr. Fourie added that some employers might want to put away R10 a month, or R120 a year.

LONG SERVICE

"Arrangements can be made to pay contribution half-yearly in advance and if a servant has clearly given long service, an employer may like to put down an initial lump sum of about R200 in recognition of this loyalty.

"Many employers feel the need for this as their servants have worked for them for a long time but no pension benefits have been built up."

The Old Mutual's plan allows a pension benefit to accumulate irrespective of the number of times service has been interrupted or the place of employment has been changed.

On retirement, the total sum accumulated plus interest is used to provide a pension. Provision is also made for benefits to be paid on death or in the event of disability.

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R2-m old age home proposed

THE City Council's Housing Committee has recommended that the council sponsor a R2-million loan for the construction of a home for the aged at Sea Point.

The cost is more than double the council's original estimate, submitted in 1974, when application was made to the National Housing Commission for a loan of R1 045 650 for the home.

In his report on the proposed home, which would be run by the Cape Peninsula Welfare Organisation for the Aged, the City Engineer, Mr J. G. Brand, expresses concern at the sharp increase in the cost of building.

As there is a variation of only 13 percent in the tenders, they are most competitive, but more efforts should be made to trim costs, the City Engineer says.

GOVERNMENT MAINTAINING RACE BARS

6/12/75 – Professor

Mercury Correspondent

GRAHAMSTOWN. — Most South African Whites with a social conscience would happily pay an extra 10 percent income tax if they knew the money was earmarked for additional African, Coloured and Indian education and training programmes and a reduction in wage differentials.

This was said at the Women's Convention held in Grahamstown by Professor Hansi Pollak, Professor Emeritus of Social Science from Cape Town, when she spoke on changing social patterns.

She said present Government attitudes were aimed at maintaining and re-enforcing existing racial divisions in society. Even in the economic field where the races worked together increasing degrees of differentiation and separation had been sought.

Professor Pollak pointed to disparities in salaries between the races.

In spite of recent improvements in the salaries of African women, they still suffer the greatest degree of discrimination particularly in the fields in which most women are employed — teaching, nursing and social work."

The proportion of average pensions received by the four racial groups was: Whites 100, Coloureds 50,4, Indians 48, Africans 17.

The Government in its detente programme had talked of eliminating discrimination but had so far concentrated on petty apartheid, said the professor, Major discriminations such as in education, housing, welfare and pensions, in work and remuneration, remained. The removal of such discrimination could not be effected rapidly because of the great existing differences, but Professor Pollak said, a vigorous and unrelenting programme for their elimination should be pursued. The cost would be considerable.

She said individuals who had the vote have a responsibility to create a White public opinion prepared to accept the challenge of bringing about change and eventual equality.

"But above all it means that Whites must, through taxation, be voluntarily prepared to make material sacrifices.

"But I would not happily pay this extra taxation if the major part of it were to be used — as it is today — for defence and the costs of providing, maintaining and administering discriminatory laws and services," said Professor Pollak.

THE AGONY OF POVERTY ON A PENSION

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Natal Mercury 19/12/75

One woman's battle to win a pittance

African Affairs Correspondent

A PENSION of R10 a month may stave off actual starvation, but the red tape Africans face at retirement age is almost equally daunting.

An official of the Department of Bantu Administration admitted this week that hundreds of pension applications were rejected every month and an almost equal number of Africans were disqualified, after receiving pensions, because of doubts about their ages.

The problem lies in the fact that few African births were registered 60 years ago, so they can rarely produce a birth certificate to back their claims.

Mrs. Kay Simpson of Kloof told the Mercury this week that she struggled for 15 months to win a pension for her retired servant, Mrs. Lena Msomi.

Eventually she had to be satisfied with a disability grant.

Mrs. Msomi worked for the Simpson family for 15 years and Mrs. Simpson continued to support her for two years after her retirement to help her 13-year-old retarded daughter and grandson.

About 15 months ago Mrs. Simpson and Mrs. Msomi began their long battle with officialdom and the regulations. After filling out the necessary forms — Mrs. Msomi did not know her age — Mrs. Simpson personally returned to the government offices at Mpumulanga, near Hammarsdale, several times.

"We were never told of the progress of the application and eventually one official told me it had been refused because Lena was not old enough. She could recall the Bambatha Rebellion of 1906, but this didn't cut any ice."

Mrs. Simpson said she found the White officials unhelpful, but was advised by an African official to apply for a disability grant.

"I took Lena to the doctor who agreed she needed a grant. The forms then went back and forth for about four months and eventually the grant was allowed.

"At the end of all this Lena found her marriage certificate of 1928 which would have proved beyond doubt that she was over 65.

"I was angry with her for not producing it earlier, but she had found it by accident among her belongings and anyway by that time the disability grant had come through.

"The whole point of this, of course, is that if I had not screamed and shouted Lena would not have got even the grant. What about the thousands of Africans who have no White woman standing by to pound the desk?"

By ALEX MAPHALALA
African Affairs Reporter

A TINY woman, who can recall the Bambatha Rebellion of 1906 vividly, said: "My son, you are asking me what I will eat on Christmas Day when I have not had a slice of bread this morning.

Mrs. Khangwayini Mbokazi (88) of 383 in Umlazi township, said for many years she had gone without food on Christmas Day and, speaking for her fellow pensioners, she added: "This is our way of life."

Hundreds of old age pensioners in Umlazi are faced with a hungry Christmas because they have spent their meagre pensions which they drew last month.

They will receive their next pensions in January long after the New Year festivities. The pensions, amounting to R20, are paid by the Department of Bantu Administration and Development every two months.

Pensioners interviewed by the Mercury in Umlazi said by the time they drew pensions no food was left. They also had to pay debts incurred in the previous period between pensions.

The local shops do not sell them goods on credit. "They tell us that it is illegal to do so because we are pensioners."

In Umlazi alone there are 1 100 pensioners, 361 blind people and 729 who draw disability grants, a total of 2 190 people, many of whom will virtually have no food with which to celebrate Christmas.

They told the Mercury that the R20 pension was insufficient for two months. It was all spent on food which was not enough to last them until the next pension payout.

Mrs. Mbokazi said the little food in the house was for her dinner which she would eat before going to bed: the first and the last meal of the day.

Mrs. Velemina Shange (80) said she slept Christmas Day away last year and she will do the same again this year. "I do not want to be an embarrassement to other people," she said.

Mrs. Daisy Majola is a chronic asthma case and draws a disability grant every two months. She has to travel regularly to Clairwood Hospital for her medicine.

Although she had a severe asthma attack the day I spoke to her she could not go to Clairwood Hospital because she had no money for the bus fares. She will wait for the next grant in January.

Many of the pensioners said meat was too expensive and they were slowly becoming accustomed to eating wild herbs (imifino) — mainly pumpkin leaves, but these were not available in winter.

Asked how they managed to live without food, they said some neighbours were kind enough to lend them money which they refunded on receiving their pensions. This was not

they could be lent money by neighbours every time. "You must be a good payer to get further loans."

BEG

Mr. David Gasa, the director of the Umlazi Residents' Association, is honoured by the pensioners for the good work he has done for them. Time and again he has personally visited firms to beg for food for the old people.

Mr. Winnington Sabela, a local businessman, has for many years given blankets to the pensioners.

The Muslim Youth Club in Durban has donated 20 sheep to URA to hold a Christmas party for the poor. Ten sheep will be slaughtered for the old age pensioners. But 10 sheep will not go far with so many pensioners.

Mr. Gasa told me that his association would ask bakeries to donate bread so that each pensioner would get a piece of meat and a slice of bread.

INSIST

It is not an easy task to qualify for a pension because officials insist on the production of a birth certificate. Many of the pensioners I spoke to did not have them and their ages are determined by their ability to recall certain historical events.

A pensioner cannot be assured that he will draw a pension until death because from time to time inspectors from the Department of Bantu Administration may disqualify them on the grounds that they are not old enough to draw pensions.

In the absence of birth certificates, the inspector simply looks at the pensioner and uses his judgement to decide whether the pensioner should continue drawing a pension.

Hundreds of pensioners were disqualified in other districts. No records of the number of people disqualified for pensions were available at the office of the Chief Magistrate in Umlazi.

All the pensioners I spoke to were widows. Some have daughters and sons who live in various parts of the country. They admitted that their children had neglected them. But they also felt that the Government had neglected them.

LUCKY

The pensioners in Umlazi are however, lucky that they do not have to travel long distances to fetch their pensions as happens in other districts.

But they pointed out that pay-day was a nightmare for them. The weak and very old pensioners were pushed aside by the stronger ones as they rushed forward to take their pensions. They felt that there was need for some form of control.

Earlier this year, some pensioners had to be taken to the local clinic after a stampede.

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Hansard 2 col 56.

TUESDAY, 3 FEBRUARY 1976

Contributory pension scheme

*16. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) (a) What progress has been made in regard to the investigation into the introduction of a contributory pension scheme in the Republic and (b) when was the investigation instituted;

(2) whether legislation in this regard is to be introduced during the present session.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) The hon. member's attention is invited to the statement made by me during the debate on my Department's vote on 21 May 1975, namely that the investigation undertaken by my Department is of a preparatory nature. Vide the English edition of Hansard columns 6401 and 6402. The stage has now been reached where we are considering the submission of an interim report to interested persons and bodies for comment. Thereafter a decision will be taken in regard to the further procedure to be adopted.

(b) The preparatory work was commenced during October 1974.

(2) No.

university of cape town
16 - 27 February 1976

Hansard 4 col 233
16/2/76

298

Homes for aged Bantu

188. Mr. R. M. CADMAN asked the Minister of Bantu Administration and Development:

(1) (a) What homes for the (i) physically able aged and (ii) infirm aged and other disabled persons are there in each of the Bantu homelands, (b) what is the number of inmates of each home and (c) by which bodies are the homes run;

(2) whether there are any homes for aged Bantu in White areas; if so, (a) where are they situated, (b) how many persons can they accommodate and (c) by whom are the homes run.

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT:

(1) (a) (i) and (ii), (b) and (c)

Homes for physically able aged	Homeland	Number of inmates	Administered by
Sekutupu	Lebowa	111	Lebowa Government
Bopotswa	Lebowa	151	Church
Klipplaatdrift	Lebowa	40	Church
Gelukspan	Bophuthatswana	52	Church
T. C. Esterhuysen	Bophuthatswana	14	Church
Boiketlong	Bophuthatswana	107	Church
Kwabadala	kwaZulu	52	Church
Ekuphumleni	Ciskei	360	Ciskeian Government Board
Thekolohelong	Qwaqwa	82	Qwaqwa Government
Okombahe	Damaraland	100	Chief Damara Affairs Commissioner
Peddie	Ciskei	73	Church
Montebello	kwaZulu	164	Church
Madadeni	kwaZulu	70	Church
Thekolohelong	Qwaqwa	82	Qwaqwa Government
Kwabadala	kwaZulu	173	Church
Boiketlong	Bophuthatswana	32	Church
T. C. Esterhuysen	Bophuthatswana	41	Church
Gelukspan	Bophuthatswana	94	Church
Gelukspan	Bophuthatswana	278	Church
Meetse-a-Bophelo	Lebowa	112	Church
Matlala	Lebowa	65	Church
Sekutupu	Lebowa	72	Lebowa Government
Letaba	Gazankulu	272	Church
Hayani	Venda	188	Church
Khathutshelo	Venda	96	Venda Government

(2) Yes. (a), (b) and (c)

Situation	Number of inmates	Administered by
Boichuco (Bloemfontein)	38	Bantu Affairs Administration Board
Emuseni (Pietermaritzburg)	27	Private Welfare Organization
Bantu Refuge (Durban)	75	Development and Service Board
Anthony Barker (Nqutu)	22	Private Welfare Organization
Emseni (Dundee)	35	Church

Woonstelle as belegging

SMIEDT COOPER DEVELOPMENTS, die nuwe eienaar van Blouberg Heights, Blouberg se reuse-woonstelgebou, het sy bemarkingspatroon van die 128 woonstelle in die gebou verander.

Die individuele woonstelle sou aanvanklik ingevolge 'n aandeelblokplan verkoop word. Volgens die nuwe konsep sal die woonstelle nog steeds daarvolgens verkoop word, maar dit sal nou deur 'n finansiële instelling geadministreer word. Die belegger se belange sal sodoende beskerm word en hy sal besit kry van een of meer woonstelle met 'n byna versekerde kapitaalgroei. Die kapitaalgroei sal jaarliks teen 'n koers van sowat 10 persent belastingvry saamgestel word.

Verbande van tot 75 persent is verkrygbaar en beleggers kan met so min as R2 280 in die skema deel. Die belegger sal die keuse hê of hy die woonstel self wil verhuur en of hy dit wil laat administreer. Dit sal teen 'n geringe koste gedoen word en hy ontvang 'n maandelikse huurtjek.

As die belegger van die verbandgeleenthede gebruik maak, kan hy sy kapitaal viervoudig vermeerder. Hy kan byvoorbeeld R2 000 belê en 'n verband van R6 000 kry vir 'n woonstel wat R8 000 kos. As die waarde daarvan met 10 persent vermeerder, kry hy 'n totale vermeerdering van R800 op sy belegging van R2 000. Dit is gelykstaande aan 'n vermeerdering van 40 persent. As die belegger meen dat die waagstuk te groot is, kan hy 'n kleiner verb
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gevorm is.

5. Wys op SES ad
Wat is die rc

6. Gee die meerv
Watter selfst

7. Hoekom word "

8. Maak seker d
woorde ken.

(298)

A.

1. Die bemarkingspatroon van die woonstelle het verander. Verduidelik die verskil.

2. Die verkopers bied versekerde kapitaalgroei. Verduidelik hoe dit gebeur.

3. Hoekom is hierdie kapitaalgroei belastingvry?

4. Verduidelik die keuse wat die belegger het i.v.m. die verhuur van die woonstelle.

5. Hoekom kan 'n groot verband 'n waagstuk wees vir die koper?

6. Wat verstaan u onder: "die klein belegger"?

7. Gee 'n goeie Afrikaanse benaming vir: Blouberg Heights.

Bantu pensioners

327. Mr. G. N. OLDFIELD asked the Minister of Bantu Administration and Development:

(1) How many Bantu persons are at present receiving (a) old age pension, (b) war veterans' pension, (c) blind persons' pension, (d) disability pension and (e) maintenance grants;

(2) what amount of (a) income and (b) assets is conceded in terms of the means test for a Bantu pensioner to be eligible for a maximum pension or grant.

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT:

In respect of areas where payments are administered by the Department of Bantu Administration and Development my reply is as follows:

(1) (a) 171 936.
(b) 69.
(c) 4 737.
(d) 62 106.
(e) 9 770.

(2) (a) R80 per annum.
(b) R2 450.

Hansard 4 col 272
18/2/76

erste paragraaf kan die dubbele
ng op 2 maniere aangewend word.
r.

3de paragraaf in die negatief.

s in die stuk.

stuk wat d.m.v. samestelling
gebruik?

uig word.

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eervoudsvorm nie?

een woord geskryf nie?

van die onderstreepte

Transkei: no home for aged

19 PD
20/2/76

CAPE TOWN — The Transkei, due to become independent in October this year, does not have a single home for aged people.

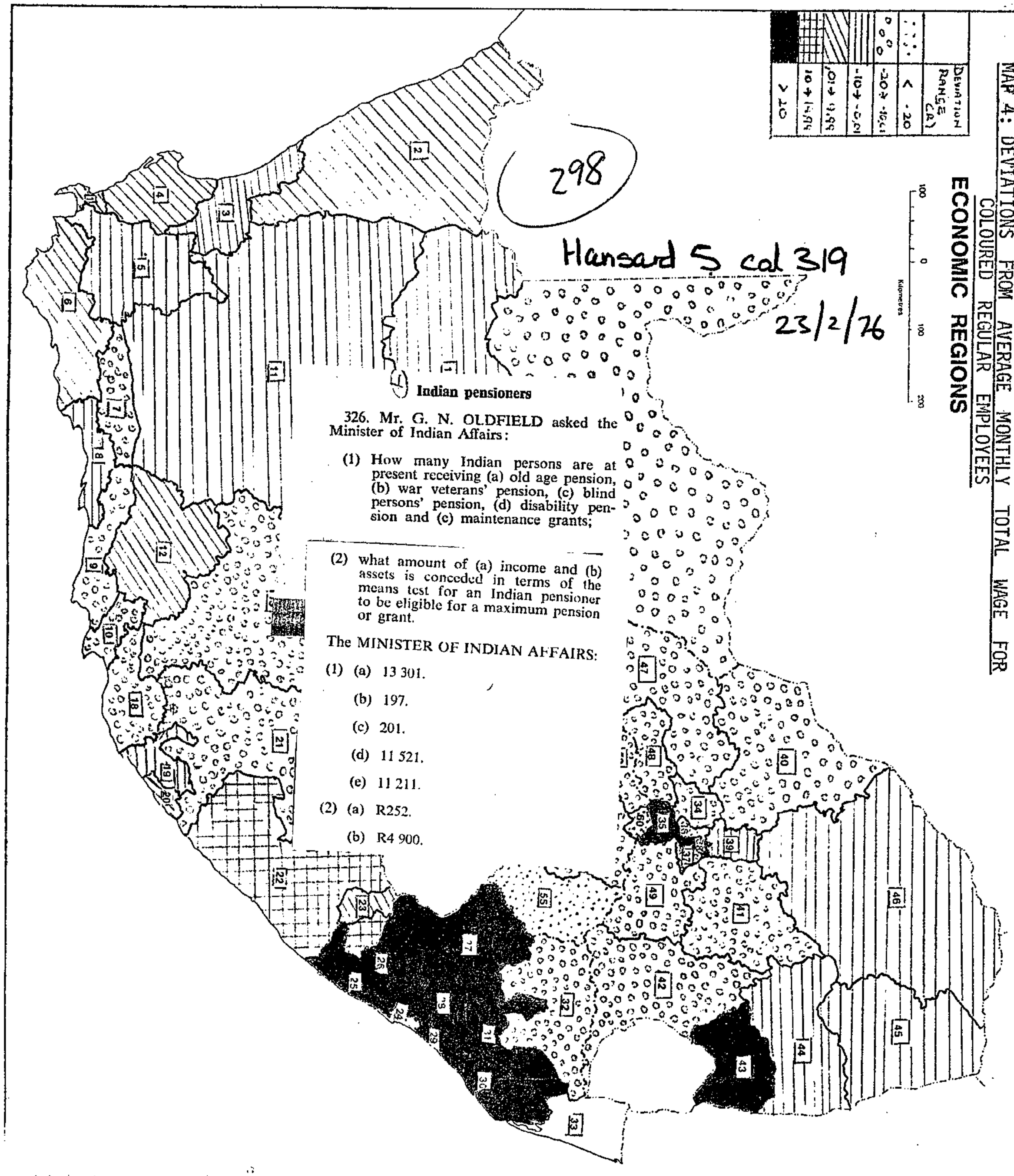
This was revealed in the House of Assembly yesterday when the Minister of Bantu Administration, Mr M. C. Botha, replied to a question tabled by Mr R. M. Cadman (UP, Umhlatuzana) about the number of old age homes in the homelands.

In his reply, the minister said there were nine homes for physically able aged people in Lebowa, Bophutatswana, KwaZulu, Qwaqwa and the Ciskei.

There were also 15 homes for infirm aged and other disabled people in the Ciskei, KwaZulu, Qwaqwa, KwaZulu, Bophutatswana, Lebowa, Gazankulu, and Venda.

But according to the minister's reply, there were no homes for aged people in the Transkei. — PC.

(1) 101
(2) 286


MAP 4: DEVIATIONS FROM AVERAGE MONTHLY TOTAL WAGE FOR COLOURED REGULAR EMPLOYEES
ECONOMIC REGIONS
Deviation Range (Rand)
< -20
-20 → -10
-10 → 0
0 → 10
10 → 20
> 20
Kilometres
100
0
100
200
298
Hansard 5 col 319
23/2/76
Indian pensioners
326. Mr. G. N. OLDFIELD asked the Minister of Indian Affairs:
(1) How many Indian persons are at present receiving (a) old age pension, (b) war veterans' pension, (c) blind persons' pension, (d) disability pension and (e) maintenance grants;
(2) what amount of (a) income and (b) assets is conceded in terms of the means test for an Indian pensioner to be eligible for a maximum pension or grant.
The MINISTER OF INDIAN AFFAIRS:
(1) (a) 13 301.
(b) 197.
(c) 201.
(d) 11 521.
(e) 11 211.
(2) (a) R252.
(b) R4 900.

286

STAR 23/2/76

A NEW PENSIONS PLAN FOR DOMESTI

When they come to the end of a working life

IT IS a pathetic question . . .

"What will become of me when I am too old to look after myself?"

The question is being put to employers by many Black domestics and unskilled labourers and the employers don't know how to answer it.

They realise a lump sum of money at the end of many years' service is not a solution.

That will disappear in less time than it takes to get back to the homelands.

What is needed is a steady monthly pension.

A DREAM

Until now that has been a pipe dream for many domestic workers, unskilled and migratory labourers.

Sue Garbett

Their years of broken service and periods of unemployment have not made them eligible to join a pension scheme successfully.

There are other pension schemes for Blacks.

But this year a new scheme tailored to meet the needs of casual workers has swung into operation.

It has been launched by the Old Mutual and is being welcomed by all sections of commerce and industry.

Mrs Sue Gordon, head of the Domestic Workers and Employers Project, says "It's a marvellous plan.

"I think domestic workers should contribute at least 50c a month.

"This will lend greater dignity to the scheme."

Mr A Dakers, pensions manager for the Old Mutual, said pension benefits to employees were unaffected by changes in employment.

When someone joins the scheme they are given a number and a book.

These stay with them throughout their working life.

Each employer decides on the money to be paid into the fund for his worker.

A TOTAL

The Old Mutual suggests a percentage of earnings be specified, and not less than R1 a week contributed.

If it is less, the final pension is very small.

Contributions may be paid monthly, quarterly or yearly. Advantages are:

- If a worker leaves one job, his next employer can continue with contributions.
- If a worker is not interested in the scheme, the money stays where it is, gaining interest.
- Each year the total savings is entered in the book which is rather like a building society savings book.
- This gives owners something to hold, and it might influence them to stay with the same employer.

The scheme has no withdrawal benefits.

The pension can be drawn only on retirement.

It is based purely on savings.

"We invest the savings, providing a capital lump sum to buy a pension for retirement," said Mr Dakers.

The pension, depending on the amount, is payable in either monthly or quarterly instalments.

If a member dies before retiring, the amount standing to his credit is paid to his next of kin or his estate.

Should a member die within five years of retiring his pension payments go to his family.

Members can retire between 55 and 65. If they are disabled, they may retire earlier.

If they reach 65 and want to go on working, they can do so, but contributions stop.

However, the pension is kept intact and goes on gaining interest.

A CONTROL

The Old Mutual has opened the scheme with the approval of all the homelands.

Funds will be controlled by boards of trustees in each individual homeland.

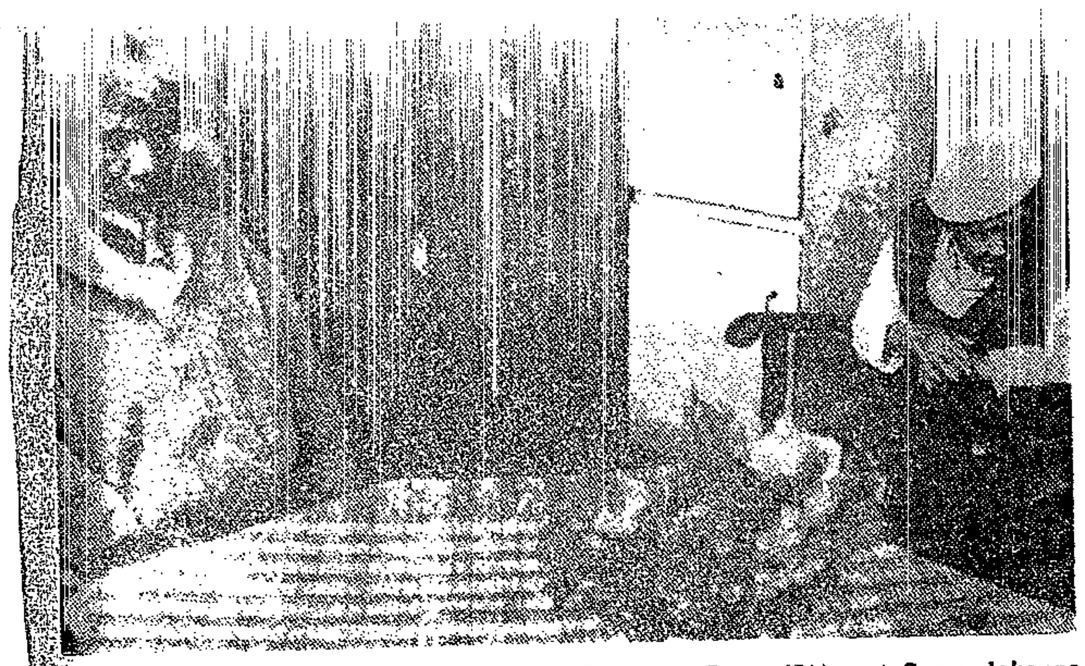
Arrangements are being completed for accepting individual domestics' pension contributions through employers.

At present however, contributions can be made only through a central body such as the Domestic Workers and Employers Project.

ICS AND LABOURERS

SHE WILL BENEFIT . . .

AND SO WILL HE.



Shy and degraded by age and poverty, Mr Daniel le Roux (76) and Ouma Johanna Cloete, said to be 102, sit in the Le Roux home, Reiger Park.

Mr John Trollip (58) in the Reiger Park alley room in which he and Mrs Elizabeth Williams (75) have found companionship.

"She is very sick," say the people who board Ouma Alice Armstrong (80) in a tiny, ramshackle home. She has been in Reiger Park for 10 years.

People are dying here

BILL RADLEY describes the filth and misery in the Reiger Park Coloured township in Boksburg. WILLEM STRYDOM took the pictures.

Add Reiger Park, Boksburg, to the roll of filthy, stinking slums in which many Coloured people exist.

None of the normal appurtenances of township layout — like drains, sidewalks, even roads worthy of the name — could be seen on a visit to old and disabled pensioners.

For its 15 000 inhabitants, Reiger Park has one small toilet block each for men or women every 30 or so dwellings — and one tap for that many people.

If old people are too weak, can't see well, have nobody to support them on the trudge to the toilet, they must add their own toilet arrangements to the slush of mud and rotting filth surrounding their cramped homes.

To these destitute, helpless people churches, like the Roman Catholics of St Frances Church and St Anthony's Cultural Centre nearby, minister as best they can.

Priests, nuns and laity, White and Coloured at the fine cultural centre are planning and struggling to raise money now for an old age home.

Boksburg Municipality, itself building 402 family flats, has given the church about 2 045 sq m in grassy area more tranquil to the senses and not far from St Anthony's.

But in Reiger Park, a steady death rate among infants and old people goes on — "How they've avoided an epidemic beats me," says Sister Gabriel in her Irish brogue.

To Mr Johannes Matlou, The Star's African driver on the visit, the township is "one of the worst places I've seen."

Pylons tower 40 m with overhanging fluorescent lighting every few hundred metres. This, said an official, is "a completely new development" and eliminates the high cost of normal lighting.

Better off in some respects than several of their fellows Reiger Parkers, because they get two pensions, are Mr Harold Oerson (69) and his wife Katie (64).

He served in Libya in the 21st Pioneers, Cape Corps, during World War 2.

Her we found squatting on the floor, trying to clean her cupboard with a cloth and a bowl of water, because she can barely stand as a result of a road accident.

Because she can't get to the communal toilet about 300 m away, she uses a bucket which he cleans.

Two single old souls who have found companionship together in a ramshackle room down a dirty alley are Mr John Trollip (58) and Mrs Elizabeth Williams (75).

Nervous, not willing to talk, he said he lived near Benoni until five years ago.

With her bandaged leg and long, metal walking crook, she is an indomitable spirit — "shifted in here in '64."

And she added, "If I want water, I get it with bribes."

She explained that she bought sweets "on pay day" to get children to help her hobble to the communal tap.

Nobody owns a dwelling in Reiger Park. Rentals are small and include charges for tap and toilet facilities.

Not only the labourers, but the workless, the old, live in Reiger Park's misery: some are well-educated couples who wait as long as 12 years for a decent home somewhere else.

● Anyone who would care to help them can send donations to: Alabama Welfare Society, St Anthony's Cultural Centre, PO Box 131, Boksburg 1460.

The Star's cheque for R1 000 goes to Alabama Welfare Society in another payout from the Charity Jackpot. This, we hope, will stimulate contributions from the public to this urgent need. Donations should be sent to the society, care of St Anthony's Cultural Centre, PO Box 131, Boksburg 1460.

Readers have been asked to write in about registered welfare organisations particularly in need of financial help so that The Star can select the most deserving of the Charity Jackpot payout. In this way, we all make our contribution to those in distress.

Mrs Katie Oerson (64), though she can only just stand for a while now and then, likes to clean up about the house at Reiger Park. Her husband, Mr Harold Oerson (69), a World War 2 soldier, attends to her toilet because she cannot get to the communal block several hundred metres away.

Mrs Elizabeth Williams (75) is helped at this communal water tap in Reiger Park by Mrs Queenie Francis of the Catholic Women's League and another slum resident (left). Mrs Williams has a crook, but must go without water if she can't get someone to help her across the rough ground to the tap about 100 m from her home.

TYPE OF FARM EMPLOYEE - DOMESTIC | RACE - COLOURED | YEAR - 1972/73

AVERAGE MONTHLY KIND WAGE FOR ALL ECONOMIC REGIONS = R 4.69

DEVIATIONS FROM AVERAGE MONTHLY KIND WAGE BY ECONOMIC REGION

EC REGION	1	2	3	4	5	6	7	8	9	10	11	12
DEVIATION	.23	1,17	-.02	4,74	-.95	-.50	-1,07	-1,74	-2,05	-2,02	1,00	-.63
EC REGION	13	14	15	16	17	18	19	20	21	22	23	24
DEVIATION	-.62	-.26	.37	-1,07	-1,03	-2,05	1,06	1,26	-.57	-.94	1,97	.31
EC REGION	25	26	27	28	29		31	32	33	34	35	36
DEVIATION	.00	.00	-2,55	1,97	.00		.00	-2,19	.00	-2,19	1,56	2,39
EC REGION	37						43	44	45	46	47	48
DEVIATION	2,36						.08	.00	-1,50	.03	-3,25	-2,77
EC REGION	49						55	56	57	58	59	60
DEVIATION	-3,24						.66	-.26	.00	-1,12	11,83	.00

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(99)

Hansard 5
col 369
25/2/76

Coloured pensioners

325. Mr. G. N. OLDFIELD asked the Minister of Coloured, Rehoboth and Nama Relations:

(1) How many Coloured persons are at present receiving (a) old age pension, (b) war veterans' pension, (c) blind persons' pension, (d) disability pension and (e) maintenance grants;

(2) what amount of (a) income and (b) assets is conceded in terms of the means test for a Coloured pensioner to be eligible for a maximum pension or grant.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

(1) (a) 75 265.

(b) 6 460.

(c) 1 626.

(d) 35 739.

(e) 24 831.

(2) (a) R252 per annum.

(b) R11 200.

Fraud committed, says secretary

19/3/76
CAPE TIMES

Staff Reporter

THE FORMER general secretary of the Oranje Benefit Society said in the Supreme Court, Cape Town, yesterday that he had committed fraud in signing a document binding the society as guarantor for the repayment of a R½-million loan.

Earlier Mr Albertus Wynand Gideon Heydenrych had told Mr Justice Diemont that "there was no fraud and an unfortunate set of circumstances led to the position I am now in."

Mr Heydenrych and the former chairman of the society, Mr Jan Antoon Brandt, face eight counts of fraud involving more than R1 million. They have pleaded not guilty.

The State alleges that the men assisted a Paarl business man, Mr John Leonard Grundlingh, in raising loans totalling R1 066 527,70 by binding the society as guarantor, when they were not authorized to act in this way.

SATISFIED

Giving evidence for the first time yesterday, Mr Heydenrych said that at the time of the issuing of the guarantees, excluding the guarantee for a loan of R550 000 from the Central Merchant Bank, he was quite satisfied that such guarantees were within the powers of the society.

He and Mr Brandt signed the Senbank guarantee — after a committee decision on legal advice that no further guarantees be issued — because Mr Grundlingh threatened the society with damages of R24 million for failing to honour its agreement.

"We signed because of this threat, Mr Brandt and I are laymen and Mr Grundlingh was considered a prominent business tycoon in Cape Town. My main concern was not to destroy the society with litigation — the most important thing to me was the society. I gave it all my spare time and neglected my family," he added.

UNLAWFUL

After lengthy cross-examination by Mr F W Kahn, for the State, Mr Heydenrych said: "I realized that Grundlingh was asking us to sign an unlawful document.

"I told a lie and agree that I committed fraud," he said.

The case continues today.

Mr Justice Diemont sat with two assessors, Mr J G Smit and Mr C H van Gend. Mr F W Kahn SC, assisted by Mr D Uys, appeared for ths State. Mr Heydenrych and Mr

(1) Sor. See — Pensions.

(2) 266

(1) Social Sec - Pensions
(2) 266

Ex-secretary 'dishonest'

A CAPE TOWN Supreme Court judge yesterday told the former general secretary of the Oranje Benefit Society that he had led his committee along with "blatant dishonesty".

"They were just eating out of your hand," Mr Justice Diemont told Mr Albertus Wynand Gideon Heydenrych.

Mr Heydenrych and the former chairman of the society, Mr Jan Antoon Brandt, face eight counts of fraud involving more than R1 million.

Evidence was that the men signed unconditional guarantees on behalf of the society, enabling a Paarl business man, Mr John Leonard Grundlingh to raise loans for a property development project. In terms of the Friendly Societies Act they were not authorized to act in this way.

Yesterday Mr Heydenrych admitted that they had risked R700 000 by placing faith in Grundlingh's scheme and issuing the guarantees.

"We did not think we were being over-friendly to Grundlingh — we regarded it as an investment for the society for the future."

Mr Justice Diemont: "It wasn't an investment — it was a hope. You just incurred liabilities."

In a letter to the Trust Bank, dated February 1, 1972, Mr Heydenrych quoted a minute of February 3, 1971, in which the society's executive committee approved the pledging of R285 000 of the society's Escom stocks to the Trust Bank in return for a loan of R275 000.

The meeting was in fact held on February 3, 1972, and the "resolution" was taken before the meeting took place.

Questioned about the "bogus" minutes, Mr Heydenrych said that the discrepancy in dates was a "typing error".

"It is blatant dishonesty. It just proves that you led the committee along — they were eating out of your hand," Mr Justice Diemont said.

Giving evidence in his defence yesterday, the former chairman of the society, Mr Brandt, said: "I played an unknowing part in the transactions.

"I never influenced the committee and only signed these guarantees on the instructions of the committee."

The case continues on March 23.

Hansard 9
col 624
22/3/76

298

Homes for aged Bantu

565. Dr. F. VAN Z. SLABBERT asked the Minister of Bantu Administration and Development:

(a) What is the present *per capita* amount paid as a subsidy to welfare organizations in respect of Bantu persons accommodated in homes for the aged and (b) when was this amount laid down.

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT:

(a) No *per capita* subsidy is paid to Welfare Organizations in the White Areas in respect of homes for the aged. Only a global amount is paid annually.

(b) Falls away.

286

Senator attacks pension schemes

DD 26/3/76.

CAPE TOWN — Some private pension funds appeared to gear their payments to enable pensioners to qualify for a state social pension as well, the Minister of Social Welfare and Pensions, Senator J. P. van der Spuy, said here yesterday.

Opening the annual conference of the Association of Pension and Provident Funds of South Africa, Senator Van Der Spuy said submission made to him indicated some private schemes relied heavily on social pensions to supplement their own inadequate payments.

"When a private pension scheme is geared to the social pension scheme to overcome its own shortcomings, the inference becomes irresistible that it is a calculated move to finance private enterprise out of public funds," he said.

The average monthly pension in 1973 was R71,10. If this was the correct position and the only means of income of private sector pensioners, all would qualify for a social pension.

"Is this merely a fortuitous state of affairs or does it suggest that our private pension funds and schemes have been intentionally tailored to fit the means test?" he asked.

Senator Van Der Spuy said it had been suggested that the state should accept responsibility for protecting pensions, including those in the private sector, against inflation.

"I do not know whether this new development should be regarded as an admission of inability to cope with the financial demands of our times, or an open invitation for the state to interfere in the freedom of private enterprise.

Senator Van Der Spuy ... pensions tailored

"I naturally do not wish to commit myself on this question at this stage, but I think it is only fair to say that inflation is not solely the responsibility of the state," he said.

"The state could hardly be expected to bear the financial burden without obtaining an efficient measure of control over the matters relating to the commitment it has to undertake."

Senator Van Der Spuy said attention should also be given to the municipality of pension funds or schemes in South Africa.

It is difficult to understand the necessity for over 8 000 funds or schemes to serve 2,3 million members. Taken at an average, it means that there are only about 290 members to a fund or scheme."

He suggested that a way be found to reduce drastically the number of schemes, possibly by having the matter undertaken by a consortium of financial institutions.

Senator Van Der Spuy said no final decision had been taken on the question of a national pension scheme. The departmental inquiry was still under way and although many interesting facts and implications had been brought to light, he could not bind himself at this stage to any course of action.

One point he wished to make, however, was that the scheme being investigated was one where the state would not make provision for those who should have provided for themselves while they were economically active.

"I emphasise this aspect of the matter because it appears that it has become increasingly accepted recently that the state would necessarily be a contributor to this scheme. This is not so."

Senator Van Der Spuy said that 66 per cent of the almost eight million economically active people in South Africa had no pension cover. A tremendous effort would have to be made to provide for these people. At the rate of pension fund membership increase in 1972 and 1973, it would take 152 years.

"At the present rate of progress, therefore, it would appear that private pension funds and schemes will not succeed in the foreseeable future in providing the necessary pension cover for all economically active people," he said. —SAPA.

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BUDGET 76

White pensioners get R8 more

PDM 1/4/76.

HOUSE OF ASSEMBLY. — Increases for pensioners amounting to R39,85-million for the year 1976/77 were announced by Senator Horwood.

The increases would mean an additional annual amount for pensioners of R79 700 000 from the exchequer, he said.

In the case of social pensions for Whites the Minister said he proposed these be increased by R8 a month.

Social pensions for Africans would go up by R3,50 a month and Coloureds, Indians and Chinese would get an extra R4,50 a month.

All pensions, allowances and concessions would start on October 1 this year he said.

They would also apply to South West African residents.

The increases in civil pensions would not include South African Railways pensioners, in whose case a statement would be made later by the Minister of Transport.

These increases also do not apply to pensioners under the parliamentary service, the Administrators Pensions Act or to judges or their widows.

Pensions to former members of statutory bodies, would, with effect from the same date, also be increased by 10 per cent.

"Sensation hunters sometimes describe the aged and the handicapped as the world's forgotten people. That of course is not true of our country.

PLEASURE

"This Government has in fact a sustained record of aid to our aged and to our handicapped and despite the need for economies in nearly every field, it gives me great pleasure today to announce a further measure of financial relief to pensioners for the next financial year," he said.

Sen Horwood said he also proposed that the allowances payable to children's homes and foster parents be increased by R5 a month for each child, that maintenance and family grants and the allowances payable to the children of settlers be increased by R2 a month for each child, and that place of safety allowances be increased by 25 cents a day for each child.

It was further proposed that the subsidies payable to homes for the aged be increased as follows:

Group 1 residents, by 50c a month for each resident; Group 2 residents, by R3,50 a month; Group 3 residents, by R5,50 a month; and Group 4 residents, by R8 a month.

"I also think that an increase is warranted in the case of subsidies payable to institutions caring for the handicapped and I propose that these subsidies be increased by R3 a month for each person in cases where no suitable trained staff is available, and by R5 a month in those cases where suitably trained staff are available."

The question of war pensions was at present receiving the attention of the Government and it was expected that a Bill in this connection would be introduced later during the session.

It was proposed that the existing pensions and allowances and bonuses payable to war pensioners be consolidated and that the consolidated amounts be thereafter increased by 10 per cent.

It was proposed that the pensions and allowances payable to other population groups be increased as follows:

Africans: Social pensions and parents' allowances, R3,50 a month; children's homes, R1,50 a month for each child; foster children, R1,50 a month for each child; maintenance grants R0,55 a month for each child.

Coloureds, Indians and Chinese: Social pensions and parents' allowances, R4,50 a month; children's homes, R3 a month for each child; foster children, R3 a month for each child; maintenance grants R1,20 a month for each child.

It was also proposed that the subsidies payable in respect of homes for the aged in the case of Coloureds and Indians be increased as follows:

NORMAL

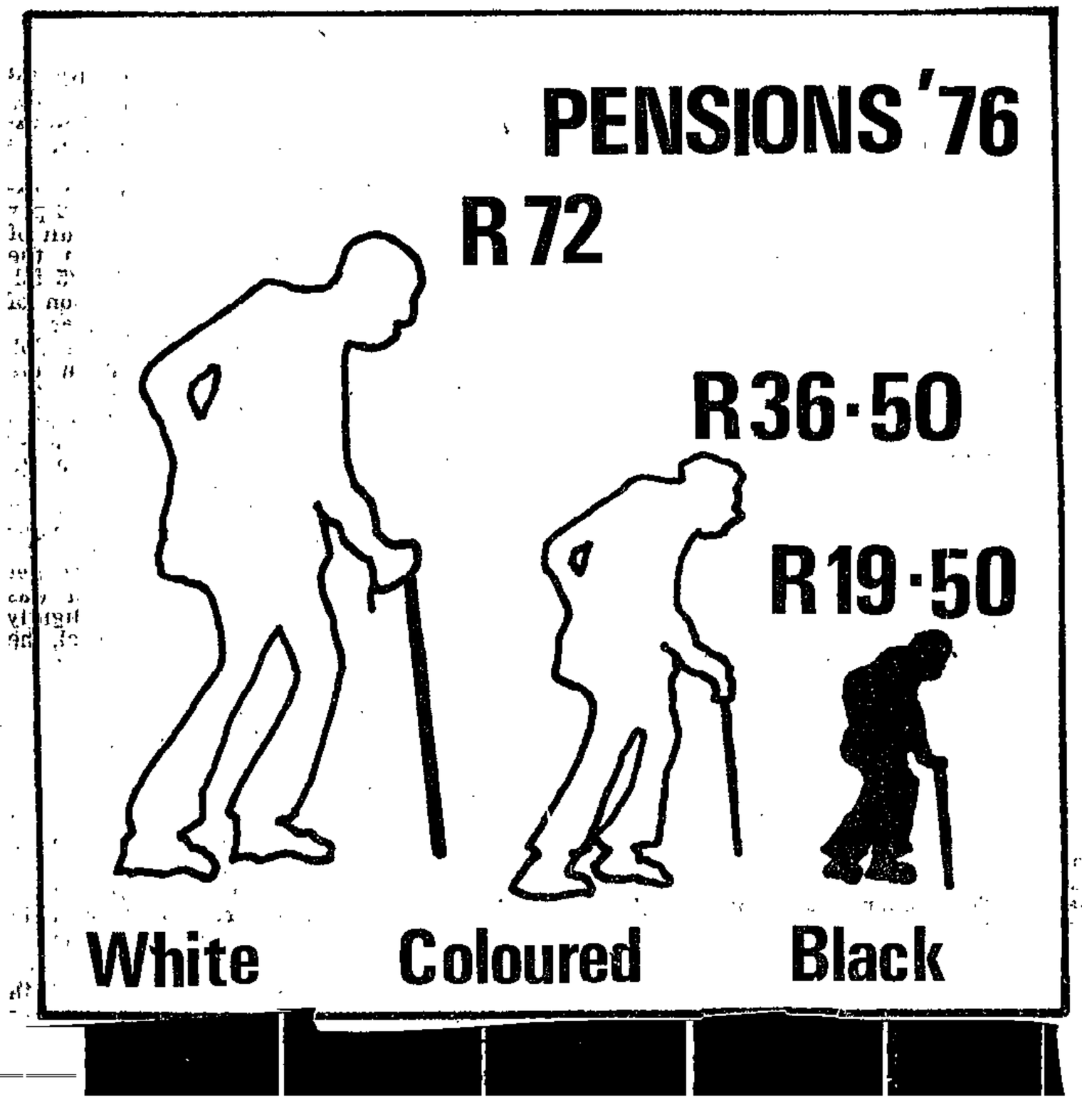
Normal aged, by 30c a month for each resident;
Infirm aged, by R2 a month;
Extremely infirm aged, by R3,20 a month.

It was also proposed that the subsidy payable in respect of institutions for handicapped Coloureds be increased by 10 per cent.

An increase of 15c a day for each child in respect of place of safety allowances payable in the case of Coloureds, Indians and Chinese was due, and the allowances payable in respect of Bantu children would be increased by 6c a day for each child.

"As far as other civil pensioners are concerned, it is proposed that civil pensions be increased with effect from October 1, 1976, by 10 per cent, but subject to a minimum of R25 a month in the case of Whites, R15 a month in the case of Coloureds and Indians and R12 a month in the case of Bantu and members of the Government Non-White Employees' Pension Fund."

These concessions would require an additional amount of R14,7-million a year from the exchequer or R7,35-million for the fin-



Social Security - Pensions

Pensioners allowance comes under heavy attack

Sun. Times (Extra) 4/4/76

MR NORMAN MIDDLETON, formerly in charge of Social Welfare and Pensions, yesterday attacked the budget as it affects pensioners and said it "reeked of discrimination".

According to the budget, benefits to social welfare pensioners amount to R8 a month for Whites, R4,50 a month for Coloureds, Indians and Chinese, and R3,50 a month for Africans.

Civil pensioners will get increases of 10 percent, but subject to a minimum of R25 a month for Whites, R15 a month for Coloureds and Indians, and R12 a month for Africans and members of the Government non-White Employees' Pension Fund.

Handouts

In effect, the budget handouts for the different race groups means that the White pensioner will now receive R72 a month, the Coloured, Indian and Chinese R39 a month, and the African pensioner R18,50 a month.

In addition, the African pensioner is saddled with the curious situation where he can only collect his pension every second month.

He, therefore, will get paid R37 each second month, whereas the Coloured, Indian and Chinese gets paid out R39 each month and the White pensioner R72 each month.

Commenting on the pension increase for Coloureds, a social worker at SHAWCO said it should be fairly obvious that an increase of R4,50 is going to have no significance for the Coloured pensioner, because it would be immediately absorbed by the price increases announced at the same time.

A spokesman for the Athlone Advice Office in Mowbray, which deals exclusively with the social problems of Africans, said that the R3,50 increase for African pensioners is going to mean "absolutely nothing" to them.

"They get paid their pension bi-monthly and it should be observed that proportionately the increases for the other racial groups have once again widened the gap between the pensions paid out to Africans and non-Africans

Mr Norman Middleton said that the "discriminatory budget" proves to the people the lie of the Government's promises of narrowing the gap between social welfare pensions for the various races.

Vulnerable

"What really grieves me is that they pick on the defenceless and economically vulnerable Black pensioners to perpetrate their racial ideologies.

"The Black pensioners should be paid more than the Whites because the Blacks — and here I mean all who are not White — are at a greater economic disadvantage because of the Group Areas Laws.

"Blacks have to pay more in transport to buy their goods in the cities, while Whites are living within walking distance of the big supermarkets and other services," Mr Middleton said.

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Hansard 11 col 786
6/4/76

Subsidy paid in respect of Indians in homes for aged

653. Mr. R. E. ENTHOVEN asked the Minister of Indian Affairs:

(a) What is the present *per capita* amount in subsidy paid to welfare organizations in respect of Indian persons accommodated in homes for the aged and (b) when was this amount laid down.

The MINISTER OF INDIAN AFFAIRS:

(a) R4-25 per month in respect of ordinary cases and R23 per month in respect of infirm aged persons.

(b) 1 October 1975.

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Non-racial insurance profitable

NM 22/4/76.

JOHANNESBURG — A major international insurance group, Legal and General, admitted yesterday that it had in the past "loaded" premiums for Blacks in South Africa.

Now its policy considerations for all race groups are the same — and it reports a big leap in the demand for life insurance among Blacks.

Mr. Charles Schlamm, marketing manager of the Legal and General, said the growth rate in Black demand had accelerated noticeably since the society abolished the policy of loading premiums for Blacks almost a year ago.

"Racial loading of policies was the norm of the industry and was based on realistic assessments of life expectancy and not on colour prejudice," Mr. Schlamm said.

"But in recent years the life styles of Blacks and Whites have become closer and we decided to abolish the practice on that basis. We felt it was no longer justified."

Mr. Schlamm added: "Today, premiums for prospective clients of all races are assessed on an identical basis which relates only to economic and in no circumstances to racial factors."

Legal and General was the first insurance company in South Africa to take this step, and since they abolished the loadings they have sold life policies to Blacks worth almost R250 000 a year in premium income in the Johannesburg area alone.

Minister rejects equal pay bid

HOUSE OF ASSEMBLY — The government has turned down the request by the Coloured Representative Council for parity in the salaries and pensions of Coloured people with those of whites.

The Minister of Coloured Relations, Mr H. Smit, said yesterday that the request for parity in salaries, social pensions and allowances "could not be taken up in the draft estimates as tariffs which would effect immediate parity have not as yet been authorised."

Mr Smit made this clear when he replied to a question tabled by Mr T. Aronson (UP, Walmer) who had asked whether the government had turned down any requests for funds by the CRC.

The minister said the CRC had requested a budget of R264 549 000, which included amounts set aside for the implementation of parity in pensions and salaries. However, this request could not be implemented.

The minister also said that no date had yet been set for the next session of the CRC, which was adjourned last year after the Labour Party majority passed a resolution which prematurely ended the session.

Mr Smit said the report of the Theron Commission of Inquiry would be published "at the earliest" by the end of May.

As the contents of the report were not yet known no decisions had been taken by the Government on the political, economic or other aspects of the Coloured people, he added. — PC.

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HANSARD NO. 12. 23/4/76

Ejectment orders: Notification

*3. Mr. G. N. OLDFIELD asked the Minister of Justice:

Whether his Department takes steps to notify the Department of Social Welfare and Pensions of cases where severe hardship is suffered as a result of giving effect to ejectment orders; if so, what steps are taken; if not, why not.

The MINISTER OF JUSTICE:

No, because my Department will normally not be aware of hardship arising out of ejectment orders. Where such hardship does come to its attention the necessary steps will be taken. In the case of a certain Mrs. Payne of Durban, against whom such an order was issued, the Messenger of the Court executed the warrant but informed the Magistrate of Durban that hardship was present in her case. The Magistrate informed the Regional Representative of the Department of Social Welfare and Pensions of her circumstances.

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23/4/76 HANSARD NO. 12

Ejectment of Mrs. A. Payne 877

*4. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

Whether his Department has investigated the position of Mrs. A. Payne who was recently ejected from a property in Durban; if so, (a) what was the result of the investigation and (b) what steps have been taken or are contemplated to render assistance to her; if not, why not.

The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

Yes.

(a) and (b) The person concerned was ejected on 15 April 1976 in terms of an ejection order. The Association for the Aged (TAFTA), Durban, on the same day, offered her alternative accommodation in an old age home, which she declined. She was admitted to the King George V Hospital, Durban, on 21 April 1976, for treatment and care.

Mr. G. N. OLDFIELD: Mr. Speaker, arising out of the hon. the Deputy Minister's reply, would he be able to state at this stage whether his Department will continue to attend to the interests of this particular case, because obviously the person concerned does require assistance?

The DEPUTY MINISTER: Mr. Speaker, as hon. members heard from the reply given by the hon. the Minister of Justice, this matter was brought to the notice of my Department, and attention is being given to the case of Mrs. Payne.

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Call to give all elderly equal pay

Political Reporter

A NATIONAL contributory pension fund which would remove race discrimination from pensions was an urgent necessity, Mr. Geoff Oldfield, U.P. MP for Umbilo said yesterday.

Mr. Oldfield, who is chairman of the United Party's parliamentary social welfare and pensions group, was speaking in support of the candidate in the Durban North by-election, Mr. Ron Reynolds, at a meeting attended by about 130 people. Mr. Trevor Warman, U.P. MPC for Durban North, was chairman.

He said the latest Budget announcement on pensions had been "disappointing" for three reasons.

It is disappointing, he said, that the R8 monthly increase was given only from October 1.

"After all when they increase taxes on a variety of goods, the increases come into effect immediately. Civil servants have been given increases from July. Why make the pensioners wait?

"The Budget also made no provision for a relaxation of the means test. It has now been in effect for four years without review — in spite of the galloping cost of living and the major devaluation of the rand.

"And in spite of the Government saying it will narrow the gap between pensions paid to the various race groups, the gap has in fact widened. Whites now get R72 per month, Coloureds and Indians R38,50 and Blacks R18,50," Mr. Oldfield said.

Report by P. Mann, 12 Devonshire Place, Durban.

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Hansard 16
20/5/76

Homes for the aged: Subsidies

954 Dr. A. L. BORAINE asked the Minister of Social Welfare and Pensions:

(a) What is the present *per capita* amount paid as subsidy to welfare organizations in respect of persons accommodated in homes for the aged and (b) when was the amount laid down.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

1.10.1975	As from 1.10.1976
R6-50 p.m.	R7-00 p.m.
R34-50 p.m.	R38-00 p.m.
R57-00 p.m.	R62-50 p.m.
R80-00 p.m.	R88-00 p.m.

2. PLANNING THE PRESENTATION.

2.1 Constructing your plan:

Two methods for planning your talk:

VERTICAL PLAN and HORIZONTAL PLAN

2.1.1 The Vertical Plan

1) Take a sheet of paper. Think about your subject. Jot down 20 to 30 words associated with it.

2) Working on a 5 minute talk, ring the three words you think are the most important on your list.

3) What do these words say to you? What specifically do you want your audience to think and do at the end of your talk? Now, write the aim of your talk in one short sentence.

4) Write your aim at the top of a clean sheet of paper.

The Body

5) Leave about six lines for the introduction. Write your three main points down leaving a few lines in between each.

6) Go through your list of ideas again. Underline those points that support your three main points.

7) Write two sub points under each main point.

8) At this stage you should refer to books, interview specialists, check figures and statistics, find quotations, apt examples or demonstrations.
Your talk should be an expression of your own ideas on the subject, backed by outside opinion.

civil service pension changes

Sweeping

(2) Social Sec - Pensions

IZA 2/6/76 NM

ORMANDE POLLOK
Political Correspondent

CAPE TOWN – Some retired civil servants will find their pensions almost doubled under sweeping changes announced yesterday.

From October 1, "minimum pensions" will be done away with, said the Minister of Social Welfare and Pensions, Senator Johan van der Spuy.

He made the announcement in rounding up his reply to the debate on his Departmen's Budget Vote, during which Mr. Geoff Oldfield, chief United Party spokesman, and others, raised the issue of minimum pensions and the means test.

Now if a civil pensioner, with all his income, still qualified for a social pension under the means test, it would be paid to him.

As an example, Senator van der Spuy cited a person entitled to a civil pension of R42.

He would, if he had no other means, qualify for a maximum social pension, giving him his R42 plus R64. This would mean his pension would go up from R59 (R42 plus the difference between R42 and R59, the minimum pension) to R106 a month.

It also meant that a married person on a monthly civil pension of R84 would also qualify for a social pension after October 1. On top of this, if the wife had reached the prescribed age, she would qualify for a social pension.

Their income would therefore increase from R118 to R212 a month.

The new concession would apply only to those who retired on or after October 1, because the civil pensions of those who retired before then would have been supplemented to the extent that they would not qualify for a social pension.

During the debate, Mr. Oldfield called for legislation to protect people like Mrs. Ethel Payne, evicted earlier this year from her home in Durban because her rates had not been paid.

He did not mention her by name but said such people should be protected.

Recently, he said, a widow had been evicted from her home which was sold for R2 000 because she had failed to pay her rates amounting to R92. The municipal valuation of the house was R7 000.

Though it was established that assistance from welfare officials was rejected, there were people who needed special protection, and the Minister should introduce legislation to make this possible.

Mr. Oldfield, cheered by the United Party benches, said pensioners were disappointed that the R8 increase would be effective only from October 1.

The Minister, in collaboration with the Minister of Finance, he said, should find some other basis to grant the increases earlier.

The means test also needed to be reviewed and the pensions gap between White and Black pensioners narrowed.

Mr. Oldfield said it was necessary that all people of all races should belong to a contributing pension fund. It would mean that more money would be available. it would eliminate the means test and also the disparity between the various race groups.

Pensioners would receive a remuneration according to their income.

Mr. Oldfield deplored the increase in child abuse. This was not peculiar to South Africa, but people were concerned that in one case where a child was battered to death only a fine of R50 was imposed. It was necessary to keep registers of child abuse, he argued.

He said industry and commerce should play a role in the care of creches and other centres.

Social - Security - Pensions

New pensions deal means R212 a month

2/6/76 STAR

THE ASSEMBLY — The pensions of certain categories of civil pensioners are to be increased by allowing them a portion of the social pension from October 1 this year.

The Minister of Social Welfare and Pensions, Senator van der Spuy, announced this when he replied to the debate on his vote in the committee stage of the Appropriation Bill yesterday.

An example of the concession was that the combined pensions of a man qualifying for a civil pension of R84 per month and that of his wife qualifying for a social pension would be R212 per month.

Only persons going on pension from October 1, this year and onwards would receive the concession.

In effect, inadequate civil pensions would be augmented by the addition of a portion of social pensions.

Senator van der Spuy said it was Government policy to provide better facilities and increased incomes for pensioners, but this had to be done within the limits of available cash resources.

"The Government has been criticised because the increase of R8 per month for social pensioners only comes into effect from October 1, but had it come into effect six months earlier the total cost would have been R32-million and we had only R16-million available," he said.

The policy of the department was to involve the rest of the community as much as possible in providing for the aged. There should be greater emphasis on the responsibilities of children to pensioned parents, and on the task of the community in which an old person lived.

A move to an institution should be resorted to only in cases where old people had become too weak for normal activity.

The Vote was approved in committee. — Sapa.

Recent surveys in the Vaal Triangle showed it was possible to involve members of the public to a greater extent than in the past and that needs could be identified more specifically for future guidance.

Senator van der Spuy said it had become clear that the aged should be encouraged to remain within the community for as long as possible.

HANSARD NO. 20

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MONDAY, 14 JUNE 1976

† Indicates translated version.

For written reply:

Homes for aged Whites

(1012) Mr. T. ARONSON asked the Minister of Social Welfare and Pensions:

(1) (a) How many homes for aged White persons are there in the Republic and (b) how many persons are at present accommodated in such homes;

(2) (a) how many homes for aged White persons are being run by companies or private persons not being welfare organizations, (b) what are the names of these companies or persons and (c) what is the *per capita* amount paid in respect of persons in homes run by such companies or persons.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) 349.

(b) Provision is made for 20 021 persons.

(2) (a) 4.

(b) Smith, Mitchell and Company.

(c) The contract price is R5-90 per day per inmate. No further contribution is made in respect of capital or any other costs.

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A close look at pension ratios

14/7/76 nm

ORMANDE POLLOK
Political Correspondent

CAPE TOWN — Although the Government's policy is to close the gap between Black and White pensions, the ratio has widened since the Nationalists came to power.

In real terms, the gap between Black, Coloured, Indian and White pensions has also increased, says a detailed analysis of Government pensions by the emeritus professor of sociology at the University of Natal, Professor Hansi Pollak.

Her survey was published by the South African Institute of Race Relations in its monthly newspaper.

She points out that when the new State pensions come into force in October the ratio between the pensions paid to the different groups will, for the first time, be closer than when the Nationalists came to power in 1948.

In October, the ratio of White to Coloured and Asian to Black will be 100:53, 3:25,7.

Between 1948 and 1966, the ratio regularly widened but since 1966 there has been a narrowing in real terms.

In 1929, when pensions were first paid to Whites and Coloureds, the gap was R24. By October it will be R400.

Since 1944, when pensions were first paid to Asians and Blacks, Asian pensions have increased from R42 to R462 and Black pensions from R24 to R222.

She says that the original 1929 ratio between White and Coloured pensions will be attained at present rates only in 1984.

She also says the official figures show that far more Whites receive maximum pensions than other groups.

"In 1974, 92 percent of the White, 77 percent of the Coloured and only 34 percent of the African pensioners received the maximum old age pension," Professor Pollak says.

In his Budget this year, the Minister of Finance, Senator Owen Horwood, announced monthly increases of R8 for White, R4,50 for Coloured and Asian and R3,50 for Black pensioners from October. The additional cost to the Government will be R32,5 million.

Conditions governing pensions for Blacks

SIR, — According to recent newspaper reports Blacks who live in rural areas often find it difficult to obtain old age pensions owing to the long distance that they have to travel to apply for their pensions.

Many Blacks living in urban areas also do not apply as they are unaware of the conditions governing the granting of pensions. Their employers are unable to help them for the same reason.

Men are eligible for pensions at 65 years and women at 60 years. The maximum pension awarded, which is paid each second month, is R15 a month. There will be a small increase in October. An additional R2,50 a month is paid to ex-servicemen. An amount not exceeding R48 per annum may be paid if a pensioner is unable to attend to his needs without the assistance of another person due to his physical or mental condition.

SUPPLEMENTARY

A supplementary allowance is payable on a sliding scale to persons who have delayed their applications for a period of at least one year up to a maximum of four years. The scale for this additional allowance is per year: one year R15; two years R21; three years R27; four years R33. This amount is not added to pensions which are already being paid.

The maximum free income allowed is R80 a year. The pension payable is reduced progressively if the free income exceeds this amount. In the case of married persons the income of both spouses is added together and divided by half. This establishes the income of each of them.

No pension is payable if the income and means are more than R128 a year. The earnings of a man 70 years of age, and of a woman 65 years, are disregarded.

ELIGIBILITY

The free asset figure is R2 450. In assessing eligibility for a social pension in terms of asset values the following rates are taken into account: 5 percent on the unencumbered value of a property up to R600 in value; 7 percent on the unencumbered value of a property above R600 in value. The value of assets is not halved in respect of married persons.

RAYMOND ARDE
P.O. Box 3724,
Durban.

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P R E S S S T A T E M E N T

PRESS STATEMENT BY THE DEPARTMENT OF SOCIAL WELFARE AND PENSIONS REGARDING THE REPORT ON AN INVESTIGATION INTO THE POSSIBLE ESTABLISHMENT OF A CONTRIBUTORY PENSION SCHEME FOR SOUTH AFRICA

(For immediate release)

The report on an investigation into the possible establishment of a contributory pension scheme for South Africa is now available for the information of interested parties. It can be obtained free of charge from the Secretary for Social Welfare and Pensions, Private Bag X63, Pretoria.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE DEPARTMENT OF SOCIAL WELFARE AND PENSIONS, PRETORIA

September 1976.

(298)

PRESS STATEMENT BY SENATOR THE HONOURABLE
J.P. VAN DER SPUY, MINISTER OF SOCIAL WELFARE
AND PENSIONS

For immediate release

With a view to Transkei's imminent change of status it is hereby made known for general information that pensions payable by the Government of the Republic of South Africa to South African citizens continuing to reside in Transkei after 26 October, 1976, will continue to be paid to them, as hithertofore, through the agency of their banks, building societies or the post office of their choice.

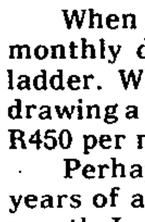
South African citizens residing in Transkei after the date in question will not by reason only of their residence be debarred from qualifying and applying for social pensions and grants payable in terms of legislation of the Republic of South Africa. Suitable arrangements have also been made with the Government of Transkei for designating attesting officers and medical officers for the purposes of the social pension laws of the Republic of South Africa. Prospective applicants in Transkei should accordingly approach these officers in Transkei or the South African Embassy in Umtata when applying for a social pension or grant in terms of South African legislation.

Issued by the Department of Information by request of the Minister of Social Welfare and Pensions

22 October 1976

The proposed South African Pension Scheme

IS THIS THE ANSWER?



by TOM ALEXANDER

At innumerable annual conferences TUCSA has advocated the establishment of a National Contributory Pension Scheme. It's predecessor, the Trades and Labour Council, repeatedly called for this protection for working people in their old age.

Is the South African Pension Scheme mooted in a report issued by the Department of Social Welfare and Pensions the answer to this oft-repeated desire on the part of the Trade Union Movement?

It could well be, but having had no more than a brief opportunity to skim through the "Report on an investigation into the possible establishment of a Contributory Pension Scheme for South Africa" (to give it its full name) I am certainly not yet in a position to express a firm personal opinion in that regard.

However, it is surely a step forward and very much to be welcomed that this investigation has been undertaken and that it has come up with such positive ideas on the subject.

In a foreword to the report the Minister of Social Welfare and Pensions points out that "it is imperative to emphasise right at the beginning that the thoughts aired in the report, as well as the suggestions contained in it, should not be interpreted as government policy at this stage."

What would such a scheme mean to you as a worker if it were to be implemented?

If you do NOT belong to a pension Fund in your employment — what is referred to in the report as an "Occupational Pension Fund" — then it could assure you of an adequate pension in your old age. It is estimated that at present approximately 66% of the active population does not belong to such a fund.

Membership of the scheme would require a contribution of 7% of your wage or salary. This would be shared by you and your employer.

The report states somewhat naively: "It is left to the employers to decide in what proportion they and their employees will contribute. Thus, for example, it may be decided that employees contribute 3% and employers 4%"

Just what would happen if some employers decided that the employees would contribute 6% and the employer 1% is not touched on. I have no doubt that the trade unions will have plenty to say about this. But what would happen to the unorganised workers? Surely it is not really envisaged that such an important matter could be left to the whim of individual employers?

In return for this 7% contribution, men and women members of the Scheme, on reaching 65 years of age, would qualify for a pension equal to 75% of their final salary. By final salary is meant "the last gross salary before deductions are made for income tax purposes". It is important to note that only a pension payment would be made.The Scheme very specifically excludes the payment of any lump sum on retirement.

Should a person become permanently medically unfit for work during his term of service, then a pension equal to 75% of his final salary (at the time of finishing work) would be paid to him or her.

On the death of a worker while contributing to the Scheme or in the event of death after going on pension, payment of the pension in full will be made (or continued) for life to the widow "and to other dependants according to circumstances."

Presumably, this would cover children of the deceased and I also assume it to mean that on the death of a married woman member of the Scheme, the pension will not necessarily continue to be paid to the widower. At first glance it seems to me that this could raise some anomalies, particularly where both man and wife belong to the Scheme.

Perhaps the suggested operation of the Scheme can best be understood by a few illustrations of how I understand it would work. In these examples I am assuming that the contribution to the Fund would be shared equally by worker and employer (i.e 3½% each).

WEEKLY PAID WORKERS

Weekly Wage	Contribution
R50	R1,75
R70	R2,45
R80	R2,80
R90	R3,15
R100	R3,50
R120	R4,20
R150	R5,25
R200	R7.00

As an example you start in a job at R50 per week and each week R1,75 is deducted for pension contribution (your employer pays a similar amount). When you are promoted to work which pays R70 per week, your deduction will become R2,45. When your work carries a rate of R100 per week the deduction will be R3,50 and so on up the ladder.

When you reach 65 years of age, you may find yourself in a job paying R150 per week. You retire on a pension of R112,50 per week (i.e. 75% of R150)

Perhaps however at say age 47, you have the misfortune to be certified as permanently medically unfit for work. You are not going to have the opportunity to work till 65. At the time you are earning say R120 per week. Then you would receive a pension starting immediately of R90 per week (75% of R120)

MONTHLY PAID WORKERS

Monthly Salary	Contribution
R220 per month	R7,00
R225 per month	R7,87
R250 per month	R8,75
R300 per month	R10,50
R400 per month	R14,00
R600 per month	R21,00
R800 per month	R28,00

As an example, you start work on a monthly salary of R200, your monthly deduction for pension contribution will be R7. (Your employer pays the same amount).

When you are promoted to a job paying R250, the monthly deduction will be R8,75 and so on up the ladder. When you reach 65 years of age you may drawing a monthly salary of R600. Your pension will be R450 per month (i.e. 75% of R600)

Perhaps you are not so fortunate and you die at 50 years of age at which time you are earning R500 per month. Immediately your widow will be paid a pension of R375 per month (i.e. 75% of R500) and this will continue for the rest of her life.

PRESENT MEMBERS OF PENSION FUNDS

What happens if you DO belong to a pension Fund at your employment? Well you will continue to belong to that existing "Occupational Pension Fund" and you will continue to look to that Fund for the payment of your pension. However that Fund will be required to provide benefits at least equal to those provided by the new South African Pension Scheme. It will be given a period of time to make arrangements to do this. If however it fails to do so then you will be required to join the new Scheme.

CHANGING JOBS

What happens if you change jobs after the Scheme is functioning? It would work like this —

- If you are going froma job where you belonged to the South African Pension Scheme to another employer who also falls under the scheme, you will simply continue as a contributor in the Scheme.
- If you are going to an employer who runs an "Occupational Pension Fund" then you will transfer to that Fund and there will be an adjustment payment made by the South African Pension Scheme to the Occupational Pension Fund.
- If you leave a job where you belong to an Occupational Pension Fund." to go to one which falls under the new Scheme, then you will become a member of the South African Pension Scheme and there will be an adjustment payment made by the Occupational Pension Fund to the Scheme.

The report is at pains to stress that at no stage will there be any question of workers receiving any cash payments when changing their jobs.

When this Scheme is fully operational, it is certainly going to be very much easier to better your prospects by changing jobs and this is particularly so for older workers of say 45 years and upwards. At present such people are often bound to an employer by the prospect of losing (or getting very little for) their long years of pensionable service. What we in the banking industry used to call, "being bound by the golden chains."

PENSION SYSTEMS

The Report examines the advantages and the disadvantages of three pension systems:

- The flat-rate system where a pension based on a flat rate is payable.
- A fully-funded pension system such as the so-called "Occupational Pension Funds" operate under at present.
- A pay-as-you-go system.

It comes out in favour of the pay-as-you-go system which it defines as "a very simple system, which in short amounts to current income financing current expenditure."

One of the reasons advanced for favouring this system is that since "it is so designed that the income is sufficient to cover the expenditure continuously, it can, if so desired pay the maximum benefits immediately, which will be a great advantage to the pensioner."

Despite this however, it is proposed (I feel rather inexplicably) that if contributions started in the target year of 1980 "the first benefits will only be paid in 1985. The result will be that the age group 61 to 64 will not make any contributions in 1980 and will therefore not qualify for benefits."

Another reason for favouring the system is given as:

"Inflation will not be able to affect the pension benefits detrimentally to any great extent since the benefits will increase in accordance with the increase in contributions as a result of increased earnings. Consequently, the purchasing power of the pensions remains more or less the same."

While this may take care of inflation up to the year of retirement, inflation after the initial pension is calculated, does not seem to be specifically covered in this explanation. However under the heading "Basic Targets" one of these targets is set out as that "the real value of pensions should as far as possible be preserved in inflationary conditions." This would presumably cover both pre-retirement and post-retirement inflation.

SOME COMMENTS

It would not serve any useful purpose for me to start querying details of the Scheme here, particularly since I can make no claim to have studied the report thoroughly. The matter will I am sure have the fu' attention of TUCSA headquarters when they m representations to the department.Perhaps hoew I may be permitted to make a few general comm The manner in which the tribution figure of 7% is arrived at, is not even upon. I realise that on a pay-as-you-go basis it be an actuarily determined figure. Presumably been calculated to provide an estimated required lar sum. It is a pity that the report is silent on s important aspect of the matter.

Two reasons which have prompted active government interest at this juncture in this matter of a National Contributory Pension Scheme are, concern at the increasing budget cost of old-age pensions (however inadequate you and I may consider them to be and the constant drain on present pension funds through people changing jobs.

This drain is estimated at nearly R600 million over a ten-year period and these cash withdrawal payments from pension funds have in fact exceeded the amount paid out by such Funds in the form of actual pensions for each and every year since 1961.

It seems certain that very little of this lump-sum cash is retained for old age. The paradoxical situation is that some working people belong to pension funds all their working lives, yet end up drawing very meagre pensions having already spent the lot.

The report makes it clear that one of the objects of the exercise is to eliminate this by the planned machinery for the transfer of pensions. There should surely be little quarrel with that.

What of the future of the "Occupational Pension Funds " once the Scheme is fully operational? Are their days numbered?

The report states that the South African Pension Scheme is mainly intended for those persons who do not belong to an "Occupational Pension Fund.", that such funds will only commence their adjustments after the implementation of the Scheme and that it is regarded as essential to allow a reasonable period of time for this.

I do not think that there are many such funds which can at present match the proposed 75% benefit, nor do I think that many of them fully meet one of the Scheme's basic targets i.e. that the real value of pensions should as far as possible be preserved in inflationary conditions, which I can assure you is the 64-dollar question so far as present-day pensioners of such Funds are concerned.

What happens I wonder when the actuarial cost of compliance is far in excess of 7% and it would be cheaper for the workers concerned to join the new Scheme? The report does not seem to deal with this important point.

As a layman, I have been having increasing doubts as to whether the present-day, actuarily-evaluated, funded, pension funds will utimately be found to be the best vehicle to meet the need of providing pensions of constant real value in an inflation-ridden world.

The choice of a pay-as-you-go system for those not already covered by pension funds does not surprise me, therefore. But that alternative could surely never be acceptable unless it was operated and guaranteed by the State. Any suggestion therefore, that the private sector or a consortium from the private sector might be entrusted with the administration of the Scheme, in my view, should be given short shrift.

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Pension plan will hit insurance

ARGUS 3/11/76

A national pension fund being considered by the State would give workers of every race a retirement pension of three-quarters of their salary at 65. But the scheme has serious financial flaws and South Africa's life insuranc industry fears its existence would be threatened by it. TOM HOOD completes his two-part survey of the scheme.

IT looks generous: A R450-a-month State retirement pension for a man earning R600. And the same amount if he becomes medically unfit to work. When he dies, his widow draws the R450.

This is what would be paid by the new national pension fund proposed by the Department of Social Welfare and Pensions.

The aim: To pay the whole working population a retirement pension of 75 percent of final gross salary at 65. And that applies to White, Coloured, Indian and Black workers without discrimination, according to the draft scheme.

It will be a contributory fund to which a worker pays a fixed rate of 7 percent of his earnings. Employers can pay part of this 7 percent if they wish, with the worker paying the rest.

No voluntary contributions over the 7 percent will be allowed 'because the administration of the scheme must be kept as simple as possible,' says the department.

It is this desire for a simple, all-embracing national fund, however, that may cause the scheme to founder on several obstacles.

So far nothing has been said about the cost implications. In West Germany, an advanced country with a high proportion of workers, a man with 40 years' service draws about 60 percent of his pre-retirement wage. But his contribution rates are about 18 percent of earnings.

If the South African goal is a 75 percent pension, contributions must be raised above Germany's 18 percent, otherwise the fund will need to be topped up with millions from taxation.

Drawing on taxes, however, is contrary to current State policy which is to pay 'only the absolute minimum old age pension benefit' to people who pass the means test 'in order to prevent the population being taxed too severely.'

The Life Offices Association — the powerful 'union' of the insurance industry — has a special committee studying the State plan and prefers to say nothing until its report has gone to the Ministers of Finance and Pensions.

But privately, many actuaries claim the scheme is financially unsound and that workers' contributions will bring nothing like the money needed to pay the level of pensions.

One expert estimates a 37 percent salary contribution is the lowest that will fund the scheme properly.

How many Black labourers can afford a 7 percent contribution — or any contribution at all — if it reduces their take-home pay? Subsidising them would put the entire cost effectively on the private sector, meaning companies and White taxpayers.

Meanwhile, no upper limit to pensions is proposed. Is it seriously intended to pay a R30 000 a year pension to a man who finishes his career earning an annual salary of R40 000?

A pension related to 'final salary' also invites abuse through increases paid just before retirement in order to qualify for a large pension.

If the scheme goes ahead it could kill off private pension funds now operating. They could not finance benefits on the proposed scale at anything like twice or thrice the 7 percent contributions visualised.

And if the benefits do not match the State scheme, people who belong to private funds will be compelled to join the national scheme.

The implications of killing the private pension fund movement are tremendous.

Some 52 percent of pension funds' R4 600-million assets are invested in State projects and the other 48 percent is largely used to finance risk capital for industry, property development and other ventures.

Where will the Government and the private sector find alternative resources?

Actuaries fear the pension scheme will remove the need for life insurance and if that happens it could pose a threat to an industry with assets of R5 800-million, besides pension and provident funds.

However desirable a decent retirement pension for everyone may be, a scheme like the one proposed could only be started in a booming economy, and only after many changes. These the pension fund movement hopes to persuade the authorities to adopt.

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ursday, November 11, 1976

11/11/76

State pension scheme 'unrealistic'

By GORDON KLING

STRONG RESERVATIONS about a State pension scheme recently proposed by the Department of Social Welfare and Pensions have been expressed by the outgoing chairman of the Life Offices' Association of South Africa, Mr J G van der Horst.

Speaking at the annual meeting of the association in Cape Town yesterday, he said that if the proposals were implemented, the results could be disastrous for the people of South Africa.

The proposals visualize the institution of a pension scheme for all taxpayers in the Republic, based on a contribution of seven percent of final salary at age 65, as well as liberal widow's benefits and ill-health retirement benefits.

Financed

Unlike private pension plans, the scheme would be financed on a pay-as-you-go system, with current income financing current expenditure.

Mr Van der Horst said this would destroy the capital-forming function of pension schemes. The consequences could adversely affect the whole national economy.

Almost all economically active South Africans would have to belong to the State scheme. It was impossible to compete with the scheme because it was unsoundly based.

"The main reason is that the contribution rate of seven percent, while sustaining the scheme in its initial years, will prove to be hopelessly inadequate in the long run.

"Even in the short term, the plan will have the effect of destroying the incentive for people to save. People would move away from the principle of providing for themselves while they are financially active."

The ambitious scope of the proposed scheme, which exceeds that of any other country, together with the dangerously low contribution rate contemplated, is so unrealistic that foreign investors could be left with reservations about our financial authorities.

The longer the scheme was held up as a possibility, the more damage and embarrassment it would cause.

The Life Offices' Association comprises all major life insurance companies in South Africa.

CA 29/11/76

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Critical shortage of homes for the aged

Staff Reporter

HUNDREDS of homeless elderly people are turned away from old-age homes each month.

Spiralling building costs and a lack of funds have resulted in a critical shortage of homes for the elderly throughout the Cape Province.

"There is a desperate need for these homes. Every day we receive phone calls from people who are penniless and who have nowhere to go but we do not have the room," a spokesman for Carlysle Lodge in Fish Hoek said.

The lodge has a waiting list of over 600 and while plans have gone through for a second home for the town, it is difficult to obtain a building loan and further funds to furnish and equip the home.

100 people

Even when the complex is completed it will only cater for 100 people.

Other Peninsula homes are running at a loss and unless conditions improve, the Department of Social Welfare and Pensions will be approached for larger grants.

According to Mrs Z Droskie, director of the National Council for the Aged, most of the homes run by the council have broken even this month but problems will be experienced at the beginning of next year when staff salaries are raised.

Mrs Droskie added that the Government was encouraging the elderly to live independently to keep homes open solely for the frail and infirm. The subsidy for an elderly person who is fairly active is R10 per month – the subsidy for the frail and infirm is R88 per month.

While plans for several new homes have been submitted, by the time building loans have been granted the costs may have doubled.

Most private hotels and small homes for the aged have been forced to close down during the past two years as they have proved uneconomical.

Because of this, elderly people have been forced to turn to flats and homes for the aged, and, according to Mr R Pettit, the secretary of the Cape Peninsula Welfare Organization for the Aged, flats have proved too expensive for many people.

On average, they cost R100 per month with two meals a day while the Government pension is R72 per month.

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Confirmation of the pension plan danger

EAST LONDON — On this page last week I suggested the South African insurance — assurance industry should do something to inform the public just why everyone should oppose as strongly as possible the Government's proposed State pension plan, in the form suggested — namely, 75 per cent of final wage or salary in return for a gross seven per cent contribution.

I was, therefore, particularly pleased to see the remarks of the chairman of the Old Mutual, Mr J. G. van der Horst, at the annual meeting last Thursday which, to an extent, met my suggestion.

But I was even more pleased to see the remarks, at the same meeting, of the chairman of the Swiss Reinsurance Co. of Zurich, Dr Max Eisenring, which were read at the meeting by Swiss Reinsurance's general manager, Dr Werner Leimbacher.

With the voice of international experience, Dr Eisenring said he did not wish to discuss South Africa's proposed scheme let alone criticise it. "Rather let me make some observations which impress a neutral observer of the international scene.

"I am afraid all of them will substantiate doubts and fears already expressed.

"Originally, many social security systems were conceived on a seemingly sound basis to provide for basic minimum benefits,but subsequently they were dynamically remodelled by the welfare state into the current, luxurious schemes which are both financially and morally unsound.

"This has resulted in the displacement of efforts from the creation of wealth to the mere redistribution of wealth, a process which causes the incentives needed for that very creation to wither away.

"Furthermore" said Dr Eisenring (and this is a most important observation) "social security problems have become to a large extent a political football and pensioners, as a homogenous group, have become the favourite goal for election strategies."

He then went on to substantiate comment I have made in these columns :

"A particularly alarming feature is that most, though not all, countries have built up their social security systems on an exclusive pay as you go basis, with the severe risk of bringing about national bankruptcy if, for statistical or other reasons, the present active generation is unable to meet the bill for the next generation pensioners."

He said the German pension scheme was hovering on the brink of bankruptcy, and that defidts of 10 000 million mark in 1975, and 14 500 million marks in 1976, had completely exhausted the saving of the previous decade (25 000 million marks)

Securite Sociate in France, set up in 1945, had been compared with a gigantic "dairy cow", and it was doubtful whether the enormous deficit could still be met and nationwide misery avoided.

In Britain there was a similar pattern. "Isn't it a sad paradox when the Prime Minister, Mr Callaghan, said in September that the government had, for too long, not been creating sufficient wealth as fast as it had been distributing it?"

Even the United States, he said, was currently in the throes of an alarmingly rapid development towards social inflation and a total welfare state.

"Their social security and social welfare programmes, which are already in a bad financial shape, might now be supplemented by a far too costly national health insurance scheme."

And he even criticised his own country's (Switzerland) state pension scheme.

"Unsound expansionism threatens to destroy the delicate equilibrium of our 'three pillar' concept. The state scheme originally provided only basic minimum benefits and was financed with a relatively strong funding feature.

"If these tendencies cannot be checked, University of St Gall projections indicate that, within ten years, the cost for State social security in Switzerland may reach some 20 per cent of the Gross National Product and 40 to 50 per cent of the assurable income."

Dr Eisenring emphasised that every South African should resist the State scheme in its present form, and accept instead the provision of a basic minimum together with legislation to rectify any short-comings in the present pensions structure.

And so say all of us!

— BUSINESS EDITOR

Star 13/12/76

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State pension critics get a lashing

Labour Reporter

A prominent labour leader today hit at the critics of the proposed national pension scheme, accusing them of promoting a system which itself is "financially unsound."

"The worker is entitled to the full benefit of his savings and pension fund contributions," said Mr Arthur Grobbelaar, general secretary of the Trade Union Council of South Africa.

He was referring to recent attacks on the workability of the scheme.

"Since the existing facilities cannot provide that, the State must step in.

"If there is no other way of preventing the erosion of old age savings and pension fund investments, then the State must see to it that workers and employers of the day pay for the pensions of their elders," Mr Grobbelaar said.

He pointed out that the Association of Pension and Provident Funds had admitted some time ago that none of the well-established pension funds earned any "real" interest because the rate of inflation exceeded average returns on their investments.

"We do not expect more than we pay for. But the bankruptcy of the present system makes it an urgent necessity to circumvent the erosion of savings and investment which makes a farce of existing provision for one's old age."

Mr Grobbelaar admitted that proposals made so far for a national pension scheme might not be actuarially sound.

"But this is something which can be adjusted," he said.

"But these 'champions of free enterprise' are doing the free enterprise system a disservice by failing to point out that their system is also not financially sound.

"How dare they attack the new proposals when their own system does not meet the most fundamental requirement?" Mr Grobbelaar asked.

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SOCIAL SECURITY

PENSIONS

1976—78

THE GROUP PENSION PLAN—

A NEW CONCEPT IN PENSIONS

SOUTH AFRICAN MUTUAL LIFE ASSURANCE SOCIETY

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SECTION A

OUTLINE OF THE GROUP PENSION PLANS

(Specifically designed to meet the needs of citizens of the Homelands and other workers.)

As an Employer of Homeland Citizens and other workers, we feel you should be acquainted with the new pensions service offered by OLD MUTUAL.

The individual Group Pension Plans

- were specifically designed to cater for current labour patterns
- were established in consultation with the various Homeland authorities
- have the flexibility essential to meet changing circumstances
- are underwritten and backed by OLD MUTUAL
- provide for the investment of funds in the Homelands for infrastructure and other development.

3. Structure of the Plans

3.1. An Employer can participate in any one or more of the Group Pension Plans by making membership a condition of employment for citizens of the Homelands or those other workers on whose behalf he would care to participate. While the Employer will decide on the contribution rate, we suggest that a percentage of earnings be specified. These contributions would be paid to OLD MUTUAL on a monthly, quarterly or yearly basis. Arrangements can be made for employees to also contribute to the fund.

3.2. All employees on whose behalf the Employer is participating will be eligible to join the particular plan applicable to such employees.

3.3. All contributions (net of expenses) received on behalf of a member will be accumulated in the plan with interest and held at credit for such member – the so-called money purchase scheme.

Accordingly, the pension that arises is the amount that can be provided by these accumulations. In the early years, a man's earnings are lower than in later years. Thus contributions at this stage are relatively low.

Contributions invested in the early years accumulate at compound interest over a much longer period than corresponding investments in later life. Thus the influence of the earlier investments although based on a relatively low salary can have more significance than later investments.

The emerging pension is the accumulated value of these investments.

The following is a table of the pension that would emerge on various assumptions at age 60. It will be assumed that regular contributions of 10% of income is paid into the Fund in the case of the money puchase scheme.

Percentage of final average salary over last 5 years of working life

Years of service	Money purchase scheme	Conventional n/60th of final average salary formula
10	13,4	14,9
20	28,8	29,8
30	46,5	44,6
40	66,9	59,5

It has been assumed that salaries will increase by 6% per annum and that the Fund will earn 7½% per annum.

It is therefore clear that on the above assumptions, the benefits provided under the two systems are reasonably in line with each other. The important point is, however, that the benefits under the n/60th formula are dependent on continuous service up to retirement.

3.4. On retirement, a member will receive the benefit of the amount standing to his credit. Depending on this amount it will either be paid in one lump sum or used to purchase a pension on the life of the member. Such pension will, depending again on the amount, be payable in either monthly or quarterly instalments with the proviso that payment will be made for at least five years and thereafter for the life of the member.

3.5. On death before retirement, the amount standing to the member's credit will, at the discretion of the Trustees, be paid to his next of kin or to his estate.

Should a member die within five years after retirement, any balance of the pension payments will, at the discretion of the Trustees, be paid to either his next of kin or to his estate.

3.6. On total disablement before retirement, the benefit in 3.4. above will be applicable as if the member had retired on the date of his disablement.

5. Collection of Contributions and Returns by Employers

5.1. It is suggested that a regular monthly amount be decided upon at the beginning of each year. This will be based on the rate of contribution selected, the number of members in the Plan as well as the various wage levels. The most effective manner in which this can be achieved is to collect contributions by way of a debit order system. The basis of the operation will be as follows:

5.2. Debit notes will be despatched to the Banks concerned for each Employer. The amount required will be based on the information available about the staff structure of each Employer at the beginning of the year. Equal amounts will therefore be debited to his account for twelve months in a row, or for such contribution periods as have been decided between the Employer and the Underwriter.

5.3. At the end of the year when the returns from the Employer, giving all the relevant details about membership during the year, have been received, an analysis will be made as to whether sufficient money was contributed during the year. Should a shortfall arise, an additional payment will be required. In the event of too much having been paid during the year, the surplus will be offset against contributions for the following year.

5.4. As mentioned above, once a year the Employer will supply OLD MUTUAL with a statement giving details on all members who had participated during the year. Should the Employer so wish, this statement could coincide with that required by the Receiver of Bantu Taxes. The information required will basically be the number, name, period of service, as well as the total earnings for each member during the year. If staff records are kept in a computer file, much manual labour can be saved by producing the information on a computer tape which will then be used by OLD MUTUAL to process the information further. The various alternatives will obviously be discussed with the Employer and the most suitable modus operandi selected.

6. Possible Benefits

The following tables will give some idea of the benefits an employee can reasonably expect on retirement. These projections are based on the assumptions that

i the fund maintains a net yield of 7% over the long term;

ii the fund maintains a net yield of 8% over the long term; and that

iii current annuity rates remain unchanged.

Pensions will be payable for at least five years and thereafter until death.

Benefits

Expected yearly pension based on a yearly contribution of R60 for retiral ages and net interest rates indicated

Years of Membership	7%			8%		
	55	60	65	55	60	65
10	R 89	R 97	R 109	R 94	R 103	R 115
15	R 173	R 189	R 210	R 188	R 205	R 228
20	R 291	R 317	R 351	R 327	R 355	R 393
25	R 457	R 496	R 549	R 531	R 575	R 637
30	R 690	R 748	R 827	R 830	R 899	R 994
35	R1016	R1101	R1217	R1269	R1375	R1520
40	R1473	R1596	R1763	R1916	R2075	R2292

SECTION B

APPLICATION FORM – GROUP PENSION PLANS

NAME OF EMPLOYER: . . . . . .

POSTAL ADDRESS: . . . . . .

STREET ADDRESS: . . . . . .

DATE OF COMMENCEMENT OF PARTICIPATION: . . . . . .

CONTRIBUTIONS ARE TO BE MADE ON THE FOLLOWING BASIS:-

CATEGORY OF CONTRIBUTION	AMOUNT OF CONTRIBUTION BY		AMOUNT OF DEATH COVER
	EMPLOYER	EMPLOYEE	

Application is hereby made for participation in the Group Pension Plans in respect of all present and future employees in respect of whom OLD MUTUAL underwrites or administers Pension Plans at the time.

I/We further agree to be bound by the Rules of the appropriate Pension Plans and to contribute to such Funds in respect of participating employees at the rate specified above, such contributions to be remitted directly to OLD MUTUAL.

I/We undertake to furnish OLD MUTUAL with such information regarding employees as it may reasonably require to administer the Pension Plans in which such employees participate.

SIGNATURE . . . . . .

CAPACITY . . . . . .

DATE . . . . . .

2. Membership

2.1. Eligibility and Participation

In respect of Employers:

An Employer shall participate immediately his application for participation is received and accepted by the Trustees.

In respect of Employees:

i Participation shall be optional for all employees who are eligible as at the date of commencement of participation of the Employer.

ii It shall be a condition of employment with a Participating Employer that all persons becoming Eligible Employees on or after the date of commencement of his participation in the Plan shall participate hereunder from the date on which they first become eligible provided they are actively employed in the Participating Employer's service on that date.

iii Notwithstanding anything to the contrary contained herein, an Eligible Employee in terms of 5.2. shall participate hereunder as from the date of receipt by the Underwriter of the amount transferred to the Plan in respect of such Eligible Employee. Where such Eligible Employee participates in an existing Pension Fund of his Employer, and the Employer decides to participate in the Group Pension as well, no contributions will be payable to the Group Pension Plan. Should the rules of the existing Fund so permit, the moneys accumulated in the existing Fund of his Employer may be transferred to the Group Pension Plan on discontinuance of service of such Employee.

3. Benefits

3.1. Retirement Benefits

3.1. 1. Right to Retire

On the Normal Retirement Date a Member shall have the right to retire and receive a pension. With the agreement of the Trustees, and where applicable the Participating Employer, a Member may, however, retire either earlier or later than the Normal Retirement Date.

3.1. 2. Amount of Pension

The amount of pension payable in respect of any Member who retires shall be equal to the pension that can be purchased by the Member's Accumulated Contributions as at the date of retirement. Such pension shall be payable to the Member from the date of his retirement.

3 .1. 3. Cashing of Pension

When a Member retires he may take in cash up to one-third of his pension (or where the pension would be R120 per annum or less, the whole of such pension).

3.1. 4. Manner of Payment

Pensions are payable in arrear in equal monthly instalments by the Underwriter. The pension will be payable for as long as the Member is alive. Should the Member die before he has received 60 monthly pension payments, the pension will continue until the appropriate number of monthly payments has been made.

Where any pension payable in terms of these Rules is R120 per annum or less, before any portion is cashed, the Underwriter reserves the right to pay the cash value thereof.

4. Dependants' Benefits

4.1. Death of a Member Before Retirement

A pension secured by the Member's Accumulated Contributions as at the date of death, shall become payable to his dependants as stipulated in 3.4.

4.2. Death of a Member After Retirement

Pension being paid to a pensioner:

On the death of a pensioner the balance of the 60 monthly pension payments in accordance with 3.4. will be payable.

4.3. Manner of Payment

The death benefits will, in the absolute discretion of the Trustees, be paid to any one or more of the Member's dependants, or, if the Trustees consider that there are no dependants, to his estate.

5. Withdrawal Benefits

5.1. Withdrawal from Service Before Retirement

Where a Member leaves the service of a Participating Employer no withdrawal benefit shall be payable and the Member's Accumulated Contributions (together with interest additions and deductions for charges) shall remain in force hereunder to be dealt with in terms of these Rules on the retirement, death or disablement of the Member.

5.2. Preservation of Pension Rights: Transfer from Other Funds

In order to promote the preservation of rights to pension and retirement benefits the Trustees may arrange with Employers that, on termination of the services of employees who are members of other Pension Funds, Provident Funds or Retirement Benefit Schemes in which such Employers participate, the amount standing to the credit of members of such other Funds be paid over to the Plan in order to provide benefits for the employee in terms of and subject to the provision of the Plan Rules.

6. Disability Benefits

1. Amount and Duration of Cover

If, prior to the date of his retirement, a Member is disabled and the disablement is such that the Trustees are satisfied that the nature of the disability is permanent and is such as to prevent him from being gainfully employed, a disability benefit shall become payable. Such benefit shall consist of a pension secured by a capital sum equal in amount to the Member's Accumulated Contributions as at the date on which the Member became disabled and will be paid as stipulated in 3.4.

On payment to a Member of a disability benefit in terms of this Rule such Member's membership of the Fund shall cease with effect from the date of disablement and no further benefits shall be payable in terms of these Rules.

4. Dependants' Benefits

4.1. Death of a Member Before Retirement

A pension secured by the Member's Accumulated Contributions as at the date of death, shall become payable to his dependants as stipulated in 3.4.

4.2. Death of a Member After Retirement

Pension being paid to a pensioner:

On the death of a pensioner the balance of the 60 monthly pension payments in accordance with 3.4. will be payable.

4.3. Manner of Payment

The death benefits will, in the absolute discretion of the Trustees, be paid to any one or more of the Member's dependants, or, if the Trustees consider that there are no dependants, to his estate.

5. Withdrawal Benefits

5.1. Withdrawal from Service Before Retirement

Where a Member leaves the service of a Participating Employer no withdrawal benefit shall be payable and the Member's Accumulated Contributions (together with interest additions and deductions for charges) shall remain in force hereunder to be dealt with in terms of these Rules on the retirement, death or disablement of the Member.

5.2. Preservation of Pension Rights: Transfer from Other Funds

In order to promote the preservation of rights to pension and retirement benefits the Trustees may arrange with Employers that, on termination of the services of employees who are members of other Pension Funds, Provident Funds or Retirement Benefit Schemes in which such Employers participate, the amount standing to the credit of members of such other Funds be paid over to the Plan in order to provide benefits for the employee in terms of and subject to the provision of the Plan Rules.

6. Disability Benefits

1. Amount and Duration of Cover

If, prior to the date of his retirement, a Member is disabled and the disablement is such that the Trustees are satisfied that the nature of the disability is permanent and is such as to prevent him from being gainfully employed, a disability benefit shall become payable. Such benefit shall consist of a pension secured by a capital sum equal in amount to the Member's Accumulated Contributions as at the date on which the Member became disabled and will be paid as stipulated in 3.4.

On payment to a Member of a disability benefit in terms of this Rule such Member's membership of the Fund shall cease with effect from the date of disablement and no further benefits shall be payable in terms of these Rules.

7. General Provisions

7.1. Members' Contributions

Where required to do so, Members shall make contributions to the Plan in accordance with a scale specified by the Employer.

Member's contributions (if any) will be deducted from Members' wages or salaries and paid to the Underwriter.

In respect of Members participating hereunder in terms of 5.2, the Member's contribution shall consist of the amount transferred to the Plan in respect of such Member.

7.2. Employer's Contributions

Each participating Employer shall make contributions to the Plan in accordance with a scale agreed with the Underwriter and such contributions shall be paid to the Underwriter.

7.3. Proof of Age

Proof of age to the satisfaction of the Trustees in such form as the Trustees shall specify, is required before the payment of any benefit under the Plan will be made.

7.4. Disputes

Any disputes which may arise between the Trustees, a Participating Employer and any Member or Members in regard to claims or interpretations hereunder will be decided by the Trustees, whose decision shall be final and binding provided that such decision is not inconsistent with these Rules.

7.5. Income Tax

All payments of benefits in terms of these Rules are subject to P.A.Y.E. income tax deductions where applicable.

7.6. Continuation of Membership

All Members are obliged to remain Members until withdrawal from service (subject to the provisions of 5.), death, disablement or retirement, as the case may be.

7.7. Tracing of Members

Should it not be possible to trace the whereabouts of any Member, dependant or other beneficiary entitled to benefits by the date or approximate date (as the case may be) the Member in respect of whom the benefits are payable attains or would have attained age 70, such benefits shall be forfeited and dealt with in such manner as may be determined by the Underwriter in consultation with the Trustees.

8. Operation of the Plan

The Plan is operated on the Underwriter's Multifund Investment System. For the purposes of this system, the Underwriter has set aside certain securities and other investments divided into portfolios according to the nature of the securities or investments. The value of the securities or investments underlying each portfolio is equated to notional units and investment by the Fund in any portfolio is represented by the allocation of notional units to the Fund. Similarly, any withdrawal of investments is represented by the realisation of notional units. The proportion of contributions to be invested in each portfolio shall be as decided by the Underwriter, but any such decision shall be subject to any legislation or governmental ruling applicable thereto.

The allocation price of a notional unit is determined by the Underwriter with due regard to the market value of the underlying securities in the portfolio, the costs of acquisition and income accrued to date. For the purposes of the Fund the Underwriter maintains a Fund Account to which all contributions, dividends and interest will be credited. The Account will be debited with a periodic overall administration charge, an annual service charge relating to each portfolio, the amounts used to acquire notional units, the cost of the benefits specified and any other amount as may be agreed between the Trustees and the Underwriter. In addition, the Underwriter shall maintain an Individual Account for each Member in which shall be recorded all contributions in respect of such member as well as interest added in terms of 1.1.

The Underwriter also maintains a Portfolio Register in which is recorded all transactions relevant to the allocation and realisation of notional units.

Whenever a pension becomes payable in terms of these Rules such pension shall be paid by the Underwriter from the Fund Account unless otherwise agreed between the Trustees and the Underwriter.

9. Amendment to or Discontinuance of Fund

9.1. Amendment

The Trustees shall have the right to amend the Rules at any time. No amendment to the Rules may be made unless the amendment has been approved by the Secretary for Inland Revenue and the Registrar of Pension Funds.

9.2. Discontinuance

The Trustees shall have the right to close or discontinue the Plan at any time. Where the Trustees discontinue the Plan in order to establish a new Fund, on the date of discontinuance all amounts still to be debited or credited to the Plan Account shall be so debited or credited and the balance in the Account determined. The Assets of the Plan shall comprise the balance in the Plan Account together with the notional units as recorded in the Portfolio Register as at the date of discontinuance. Such assets shall be transferred to the Trustees in such manner as may be agreed upon between the Trustees and the Underwriter.

Where a new Fund is not being established, the provisions of 11. shall be applicable as if each individual Participating Employer had discontinued his participation hereunder from the date of discontinuance of the Plan by the Trustees.

10. Underwriter's Liability

The Underwriter's liability in terms of these Rules at any time shall, other than in respect of benefits that have actually been purchased from the Underwriter, be limited to the credit balance in the Fund Account together with the realisation value of the notional units in the Portfolio Register at that time.

11. Discontinuance by Individual Employer

A Participating Employer may, by giving six months' prior written notice to the Underwriter, terminate payment of moneys to the Underwriter in respect of Members in his employ as from a specified date and such Employer's participation hereunder shall be discontinued on such date. In cases where service contracts are in force, Employers shall participate in the Plan on behalf of such Employees until expiry of such contracts.

The Accumulated Contributions of such Members shall remain in force hereunder to be applied in terms of these Rules, provided that interest shall continue to be added and expense charges deducted for the period between the date of discontinuance and the date of application, on a basis determined by the Underwriter.

SECTION D

1. Examples of Contribution Bases

There is a large selection of contribution bases available for both Employer and employee. The Employer chooses the basis which he feels will suit the employees' pension needs. The basis shown below is purely an example.

EMPLOYEE EARNINGS RANGE	CONTRIBUTIONS	
	EMPLOYER	EMPLOYEE
Weekly Paid:		
Less than R15 per week	R1,00 per week	Nil
R15 but less than R20 per week	R1,50 per week	Nil
Monthly Paid:		
R80 but less than R150 per month	R6,00 per month	R4,00 per month
Over R150	5% of Employee's salary	4% of Employee's salary

The employee contribution does not have to be the same as the Employer contribution. The Employer can choose the salary range for which different contribution rates will apply.

2. Examples of Death Cover

Should you wish, each of your employees can be covered for a certain amount of death benefit. This can either be a multiple of the employee's annual salary or a fixed amount per category of earnings. An example of a basis of giving weekly and monthly paid employees death cover is shown below.

EMPLOYEE EARNINGS RANGE	DEATH COVER
Weekly Paid:	
Less than R15 per week	R1 000
R15 but less than R20	R1 000
Monthly Paid:	
R80 but less than R150 per month	Twice times annual salary
Over R150 per month	Twice times annual salary

In the case of hourly or weekly paid workers where an annual salary cannot be readily established, we suggest you decide upon a fixed sum based on the employee's average annual income and seniority, e.g. that an employee with 10 years' service and now earning approximately R1200,00 per annum, be granted R2000,00 death cover.

OLD MUTUAL'S pensions teams in the main centres throughout Southern Africa are always available to advise you on Employee Benefit Programs.

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BYLAE D

1. Voorbeelde van Bydraekoerse

Daar is 'n wye keuse ten opsigte van bydraekoerse vir beide Werkgewer en werknemer. Die Werkgewer kan dus dié koers kies wat hy reken sy werknemer se pensioenebehoeftes sal bevredig.

Onderstaande is slegs 'n voorbeeld:

WERKNEMERS SE INKOMSTESKAAL	BYDRAES	
	WERKGEWER	WERKNEMER
Weekliks Besoldig:		
Minder as R15 per week	R1,00 per week	Nul
R15 maar minder as R20	R1,50 per week	Nul
Maandeliks Besoldig:		
R80 maar minder as R150 per maand	R6,00 per maand	R4,00 per maand
Meer as R150 per maand	5% van Werknemersloon	4% van Werknemersloon

Die werknemer se bydraekoers hoef nie ooreen te stem met die Werkgewer bydraekoers nie. Die Werkgewer dan dié inkomsteskale bepaal waarvolgens onderskeie bydraekoerse sal geld.

2. Voorbeelde van Doodsdekking

Sou 'n Werkgewer dit verlang, kan elk van sy werknemers doodsdekkingsvoordele geniet. Dit kan of 'n veelvoud van die werknemer se jaarlikse salaris bedra of 'n vasgestelde bedrag volgens inkomstekategorie wees. Onderstaande is 'n voorbeeld van 'n basis waarop doodsdekking toegestaan kan word aan weekliks en maandeliks besoldigde werkers.

WERKNEMER SE INKOMSTESKAAL	DOODSDEKKING
Weekliks Besoldig:	
Minder as R15 per week	R1 000
R15 maar minder as R20 per week	R1 000
Maandeliks Besoldig:	
R80 maar minder as R150 per maand	Tweemaal jaarlikse salaris
Meer as R150 per maand	Tweemaal jaarlikse salaris

In gevalle van uurliks of weekliks besoldigde werkers waar 'n jaarlikse salaris nie geredelik bepaal kan word nie, stel ons voor dat u besluit op 'n vaste bedrag gebaseer op die benaderende jaarlikse inkomste en senioriteit van so 'n werknemer, bv. 'n werknemer met 10 jaar diens en 'n verdienste van ongeveer R1200,00 per jaar sou doodsdekking van R2000,00 toegestaan word.

OU MUTUAL se pensioen-deskundiges in die Hoofsentra dwarsdeur Suider-Afrika is altyd beskikbaar om u aangaande Werknemers-voordeelplanne raad te gee.

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D.F. Hammer — Bestuurder
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DIE GROEP-PENSIOENPLAN-

'N NUWE KONSEP IN WERKNEMERSVOORDELE

SUID-AFRIKAANSE ONDERLINGE LEWENSVERSEKERINGSGENOOTSKAP

INDEKS

BYLAE A
UITEENSETTING VAN DIE GROEP-PENSIOENPLANNE

BYLAE B
AANSOEKVORM

BYLAE C
OPSOMMING VAN TIPIESE PLANREËLS

BYLAE D
VOORBEELDE VAN BYDRAEKOERSE EN DOODSDEKKING

BYLAE A

UITEENSETTING VAN DIE GROEP-PENSIOENPLANNE

(Spesifiek ontwerp om aan die behoeftes van werkers in die Republiek en burgers van ons onderskeie Tuislande te voldoen.)

Ons is oortuig daarvan dat u as Werkgewer van Tuislandburgers en ander werkers sal belangstel in die nuwe pensioendiens wat deur OU MUTUAL aangebied word.

Die individuele Groep-Pensioenplanne

- is spesifiek ontwerp om vir die huidige arbeidspatrone voorsiening te maak
- is in samewerking met die verskeie Tuisland owerhede daargestel
- het die noodsaaklike buigsaamheid om aan veranderende omstandighede te voldoen
- word deur OU MUTUAL onderskryf en ondersteun
- maak voorsiening vir die belegging van fondse in die Tuislande vir infrakstruktuur en ander ontwikkelings-doeleindes.

3. Struktuur van die Pensioenplanne

3.1. 'n Werkgewer kan in die Groep-Pensioenplanne deelneem deur lidmaatskap daarvan 'n diensvoorwaarde te maak vir al sy laer besoldigde werkers en Tuislandburgers namens wie hy graag sou wou deelneem. Die Werkgewer sal self besluit teen watter koers hy bydraes namens sy werknemers sal maak. Die bydraes kan of 'n persentasie van inkomste of 'n vaste weeklikse of maandelikse bedrag wees. Hierdie bydraes sal op 'n maandelikse, kwartaalikse of jaarlikse basis aan OU MUTUAL oorbetaal word. Voorsiening is ook in die Reëls van die planne gemaak vir werknemers om self by te dra.

3.2. Alle werknemers namens wie die Werkgewer bereid is om by te dra sal aanneembaar wees om aan die spesifieke plan op hom van toepassing, te behoort.

3.3. Alle bydraes (min kosteheffings) wat namens lede ontvang is, sal in die Plan belê word en sal daar rente verdien tot by aftrede — die sogenaamde konstante persentasie bydrae.

Hiervolgens sal die pensioen betaalbaar aan die lid bepaal word deur die totale bedrag van opgeloopte bydraes. Aanvanklike verdienstes is laer as in latere werksjare. Gevolglik is bydraes op hierdie tydstip relatief laer.

Bydraes wat gedurende die aanvanklike werksjare belê word loop op teen samegestelde rente oor 'n langer periode as ooreenstemmende beleggings gedurende later jare. Sodoende kan die invloed van die vroeëre beleggings hoewel op 'n relatief laer salaris gebaseer, van meer belang wees as dié van latere beleggings.

Onderstaande is 'n tabel wat die pensioen betaalbaar op ouderdom 60 aandui gegrond op sekere aannames. Dit word aangeneem dat gereëlde bydraes van 10% van die inkomste in die Fonds inbetaal word soos in die geval van die konstante persentasie bydrae.

Persentasie van finale gemiddelde salaris gedurende laaste 5 werksjare

Aantal Diensjare	Konstante persentasie bydrae	Konvensionele n/60ste van finale gemiddelde salarisformule
10	13,4	14,9
20	28,8	29,8
30	46,5	44,6
40	66,9	59,5

Dit word aangeneem dat salarisse jaarliks met 6% sal styg en dat die Fonds jaarliks $7\frac{1}{2}\%$ sal verdien.

Dit is dus duidelik dat, op bostaande aannames, die voordele van beide stelsels baie gunstig met makaar vergelyk. Van belang is egter dat die voordele van die n/60ste stelsel berus op onafgebroke diens tot en met aftrede.

3.4. By aftrede sal die lid die bedrag ontvang wat dan tot sy krediet staan. Afhangende van die bedrag sal dit of in 'n enkelbedrag of in die vorm van 'n pensioen op die lewe van die lid uitbetaal word. Die pensioen kan ook of in maandelikse, kwartaalikse of jaarlikse paaiemente uitbetaal word. Die pensioen sal betaalbaar wees vir ten minste 5 jaar en daarna vir solank die lid die lewe behou.

3.5. By dood voor aftrede sal die bedrag wat op daardie stadium tot die lid se krediet staan aan of sy naasbestaandes of sy boedel oorbetaal word. Indien 'n lid binne 5 jaar na aftrede te sterwe sou kom, sal die balans van die 5 jaar se pensioenbetalings ook óf aan sy naasbestaandes óf boedel oorbetaal word.

3.6. By totale ongeskiktheid voor aftrede sal die bedrag beskikbaar soos in 3.4. hierbo gebruik word om vir die lid 'n pensioen te koop vanaf die datum van ongeskiktheid.

5. Die invordering van Bydraes en Opgawes deur Werkgewers

5.1. Daar word voorgestel dat daar op 'n gereelde maandelikse bydrae aan die begin van elke jaar besluit word. Hierdie bydrae sal bepaal word deur die bydraekoers wat gekies is. Die aantal lede wat deelneem sowel as die onderskeie loonskale sal dus die totale betaalbare bedrag bepaal. Die mees effektiewe manier om die bydraes in te vorder is deur middel van 'n debietorderstelsel. Die stelsel sal kortliks as volg opereer:

5.2. Debietnotas sal maandeliks aan die Werkgewer se bank uitgestuur word. Die bedrag benodig soos hierbo vasgestel sal dan maandeliks teen die Werkgewer se bankrekening gedebiteer word. Gelyke bedrae sal dus vir 12 maande gedebiteer word.

5.3. Aan die einde van die jaar sal opgawes van die Werkgewer ontvang word waarop al die inligting in verband met ledetal gedurende die jaar aangedui word. 'n Ontleding sal gedoen word om vas te stel of die bedrae gedurende die jaar betaal voldoende was. Indien daar 'n tekort ontstaan het sal daar om 'n addisionele betaling gevra word en indien daar 'n oorskot was, sal die oorskot as bydraes vir die volgende jaar gereken word.

5.4. Soos hierbo genoem sal van die Werkgewer verwag word om eenmaal per jaar 'n staat aan OU MUTUAL voor te lê wat inligting verskaf aangaande almal wat gedurende die jaar aan die skema deelgeneem het. Indien die Werkgewer dit so verkies kan die staat saamval met die inligting wat aan die Ontvanger van Bantoebelasting voorgelê moet word. Die inligting wat benodig word is die lid se nommer en naam, sy dienstydperk sowel as sy totale inkomste gedurende die jaar. Indien personeelrekords op 'n rekenaar gehou word, kan heelwat papierwerk uitgeskakel word deur die inligting op 'n rekenaarband aan OU MUTUAL te verskaf. Die inligting sal dan direk verder verwerk word. Die onderskeie alternatiewe sal natuurlik met die Werkgewer bespreek word en die mees aanvaarbare metode van optrede gevolg word.

6. Moontlike Voordele

Die volgende tabelle gee 'n aanduiding van die voordele wat 'n werknemer geredelik by aftrede kan verwag. Hierdie projeksies word gebaseer op die aannames dat

i die Plan 'n netto opbrengs van 7% oor die lang termyn lewer;

ii die Plan 'n netto opbrengs van 8% oor die lang termyn lewer; en dat

iii die huidige annuiteitskoerse onveranderd sal bly.

Pensioenvoordele sal betaalbaar wees vir ten minste vyf jaar en daarna lewenslank.

Voordele

Verwagte jaarlikse pensioen gebaseer op 'n jaarlikse bydrae van R60 by aftree-ouderdom en teen rentekoerse soos aangedui

Tydperk van Lidmaatskap (Jare)	7%			8%		
	55	60	65	55	60	65
10	R 89	R 97	R 109	R 94	R 103	R 115
15	R 173	R 189	R 210	R 188	R 205	R 228
20	R 291	R 317	R 351	R 327	R 355	R 393
25	R 457	R 496	R 549	R 531	R 575	R 637
30	R 690	R 748	R 827	R 830	R 899	R 994
35	R1016	R1101	R1217	R1269	R1375	R1520
40	R1473	R1596	R1763	R1916	R2075	R2292

BYLAE B

AANSOEKVORM – GROEP-PENSIOENPLANNE

NAAM VAN WERKGEWER: . . . . . .

POSADRES: . . . . . .

STRAATADRES: . . . . . .

AANVANGSDATUM VAN DEELNAME: . . . . . .

BYDRAES SAL OP DIE VOLGENDE BASIS GEDOEN WORD:

BYDRAE KATEGORIE	BEDRAG BYGEDRA DEUR		DOODSDEKKING
	WERKGEWER	WERKNEMER	

Hiermee word aansoek gedoen om deelname aan die Groep- Pensioenplanne ten opsigte van alle huidige en toekomstige werknemers vir wie OU MUTUAL Pensioenplanne onderskryf en bestuur.

Ek/ons onderneem voorts om gebonde te wees aan die Reëls van die toepaslike Pensioenplanne en om tot sodanige Fondse by te dra behoewens deelnemende werknemers teen bostaande koers en sodanige bydraes direk aan OU MUTUAL oor te betaal.

Ek/ons onderneem om aan OU MUTUAL sodanige inligting te verstrek as wat redelik benodig mag word ten einde die Pensioenplanne waaraan sodanige werknemers deelneem, te administreer.

HANDTEKENING . . . . . .

KAPASITEIT . . . . . .

DATUM . . . . . .

BYLAE C

OPSOMMING VAN TIPIESE PLANREËLS

1. Omskrywings

(Vir die doeleindes van hierdie Reëls sal die gebruik van 'n voornaamwoord wat die manlike geslag aandui, die vroulike insluit, tensy die inhoud anders bepaal.)

1.1. OPGELOOPTE BYDRAES: Die volle bydraes (insluitende enige bedrag oorbetaal ingevolge 5.2.) oorbetaal aan die Onderskrywer ten opsigte van 'n Lid plus rente min administratiewe heffings.

1.2. NORMALE AFTREEOUDERDOM: 60 jaar.

1.3. DEELNEMENDE WERKGEWER: 'n Werkgewer wat ten opsigte van sy aanneembare werknemers aan die Plan deelneem.

1.4. AANNEEMBARE WERKNEMER: Enige werker voltyds in diens van 'n Deelnemende Werkgewer, of ten opsigte van wie 'n bedrag oorbetaal is aan die Fonds ingevolge 5.2.

1.5. PLAN: Die ..... Pensioenfonds.

1.6. UITDIENSTREDING: Diensverlating by 'n Deelnemende Werkgewer om watter rede ook al behalwe weens aftrede, ongeskiktheid of dood.

1.7. TRUSTEES: Die Trustees van die Pensioenplan van tyd tot tyd.

Die Rade van Trustees is deur die onderskeie Tuislandregerings aangewys en sluit prominente lede van die tuisland- en stedelike gemeenskappe in.

1.8. ONDERSKRYWER: Suid-Afrikaanse Onderlinge Lewensversekeringsgenootskap (OU MUTUAL).

1.9. LID: 'n Aanneembare Werknemer wat aan die Plan deelneem.

1.10. VOLTYDS: Vir die doeleindes van hierdie Reëls verwys "voltyds" na 'n werknemer anders as iemand op losse voet (bv. op 'n daaglikse basis) aangestel.

3.1. 4. Wyse van Betaling

Pensioene sal in gelyke maandelikse paaiemente deur die Onderskrywer (agterstallig betaalbaar) betaal word. Die pensioen sal lewenslank aan die Lid betaal word. Indien die Lid egter sterf voordat hy 60 maandelikse pensioenbetalings ontvang het, sal die pensioen voortgaan totdat die toepaslike aantal maandelikse betalings gemaak is.

Indien enige pensioen ooreenkomstig hierdie Reëls betaalbaar minder as R120 per jaar is voordat enige deel in kontant omgesit is, behou die Onderskrywer die reg voor om die kontantwaarde daarvan te betaal.

4 Afhanklikes se Voordele

4.1. Dood van 'n Lid voor Aftrede

'n Pensioen gekoop deur die Lid se opgeloopte bydraes soos op die datum van sy dood, sal betaalbaar wees aan sy afhanklikes soos in 3.4. vervat.

4.2. Dood van 'n Lid na Aftrede

Pensioen aan 'n pensionaris betaalbaar:

By die dood van 'n pensionaris sal die balans van die 60 maandelikse pensioenbetalings ooreenkomstig 3.4. betaal word.

4.3. Wyse van Betaling

Die voordele by dood sal, na die absolute goeddunke van die Trustees, betaalbaar wees aan een of meer van die Lid se afhanklikes, of indien die Trustees besluit dat daar geen afhanklikes is nie, aan sy boedel.

5. Onttrekkingsvoordele

5.1. Uitdienstreding voor Aftrede

Waar 'n Lid die diens van 'n Deelnemende Werkgewer verlaat sal geen uitdienstredingsvoordeel betaalbaar wees nie en die Lid se Opgeloopte Bydraes (tesame met rente-byvoegings en koste-heffings) sal hieronder van krag bly en ingevolge hierdie Reëls aangewend word by aftrede, dood of ongeskiktheid van die Lid.

5.2. Bewaar van Pensioenregte: Oordrag van ander Fondse

Ten einde die bewaar van pensioen- en aftreevoordele te bevorder, mag die Trustees met Werkgewers reël dat, by beëindiging van diens van werknemers wat lede is van ander Pensioenfondse, Voorsorgfondse en Uittredings-voordeel-skemas waaraan sodanige Werkgewers deelneem, die bedrae wat lede van sodanige Fondse tot krediet staan, aan die Plan oorbetaal word om voordele te verskaf aan die werknemer in terme van en onderworpe aan die voorsiening van die Planreëls.

8. Werking van die Plan

Die Plan word op die Onderskrywer se Multifonds Beleggingstelsel gedryf. Vir die doeleindes van hierdie metode het die Onderskrywer sekere sekuriteite apart gehou en onder beleggings in portefeuljes, volgens die aard van sekuriteite of beleggings, verdeel. Die waarde van die onderliggende sekuriteite of beleggings in elke portefeulje is gelykstaande aan nominale eenhede en beleggings deur die Fonds in enige portefeulje is verteenwoordig deur die toewysing van nominale eenhede tot die Fonds. Eweneens, enige onttrekking van beleggings is verteenwoordig deur die realisasie van nominale eenhede. Die gedeelte van die bydraes wat in elke portefeulje belê moet word sal deur die Onderskrywer besluit word, maar enige sodanige besluit sal onderworpe wees aan enige wetgewing of Staatsbeslissing van toepassing daarop.

Die toewysigingskoste van 'n nominale eenheid sal deur die Onderskrywer bepaal word met behoorlike inagneming van die markwaarde van die onderliggende sekuriteite in die portefeulje, die koste van aanwins en inkomste tot datum opgeloop. Vir die doeleindes van hierdie Fonds hou die Onderskrywer 'n Fondsrekening waarin alle bydraes, dividende en rente gekrediteer sal word. Die rekening sal gedebiteer word met 'n periodieke globale administrasieheffing, 'n jaarlikse diensheffing met betrekking tot elke portefeulje, die bedrae wat gebruik word om nominale eenhede te bekom, die koste van die gespesifiseerde voordele en enige ander bedrag soos ooreengekom mag word tussen die Trustees en die Onderskrywer. Bykomend sal die Onderskrywer 'n Individuele Rekening vir elke Lid hou waarin alle bydraes ten opsigte van 1.1. en die toepaslike gedeelte van die administrasieheffing op die Lid van tyd tot tyd van toepassing.

Die Onderskrywer sal ook 'n Portefeuljeregister hou waarin alle transaksies van toepassing op die toewysing en realisasie van nominale eenhede aangeteken sal word. Wanneer 'n pensioen ooreenkomstig die Reëls betaalbaar word sal sodanige pensioen deur die Onderskrywer uit die Fondsrekening betaal word tensy die Trustees en die Onderskrywer anders ooreenkom.

9. Wysiging of Beëindiging van die Fonds

9.1. Wysiging

Die Trustees sal die reg hê om die Reëls te eniger tyd te wysig. Geen wysiging mag aan die Reëls aangebring word tensy sodanige wysiging deur die Sekretaris van Binnelandse Inkomste en die Registrateur van Pensioenfondse goedgekeur is nie.

9.2. Beëindiging

Die Trustees sal die reg hê om die Plan te eniger tyd te sluit of te beëindig.

Waar die Trustees die Plan beëindig met die doel om 'n nuwe Fonds te stig, sal alle bedrae wat nog tot die Planrekening gedebiteer of gekrediteer moet word so gedebiteer of gekrediteer word en die balans in die Rekening vasgestel word. Die bates van die Plan sal die balans in die Planrekening insluit tesame met die nominale eenhede in die Portefeuljeregister soos op die datum van beëindiging. Die bates sal aan die Trustees oorgedra word op sodanige wyse soos tussen die Trustees en die Onderskrywer ooreengekom.

Waar 'n nuwe Fonds nie gestig word nie sal die bepalinge van Afdeling 11. van toepassing wees asof elke individuele Deelnemende Werkgewer sy deelname hieronder beëindig het vanaf die datum van beëindiging van die Plan deur die Trustees.

10. Onderskrywer se Aanspreeklikheid

Die Onderskrywer se verantwoordelikheid te eniger tyd ooreenkomstig hierdie Reëls sal, behalwe ten opsigte van voordele wat werklik by die Onderskrywer gekoop is, beperk word tot die kredietbalans in die Fondsrekening tesame met die realisasiewaarde van die nominale eenhede in die Portefeuljeregister op daardie tydstip.

Senate Hansard 9 Cols 57-58

12/5/76

(298)

WEDNESDAY, 12 MAY 1976

†Indicates translated version.

For written reply:

Homes for aged Coloureds

34. Senator L. E. D. WINCHESTER asked the Minister of Coloured, Rehoboth and Nama Relations:

(1) How many homes for (a) aged Coloured persons are there in (i) Durban, (ii) Johannesburg and (iii) the Cape Peninsula and (b) how many persons are accommodated in such homes in each of these areas;

(2) what *per capita* amount is paid as a subsidy to welfare organizations in respect of each category of aged persons in such homes.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

(1) (a) (i) Nil.

(ii) 1.

(iii) 7.

(b) (i) Nil.

(ii) 75.

(iii) 815.

(2) Normal cases: R[illegible]25 per month.

Infirm cases: R[illegible]00 per month.

Extremely infirm cases: R34-50 per month.

Pensioners fear loss of homes at auction

Pretoria Bureau Star 5/1/77

More than 128 Doringkloof families in Pretoria, many of them widows and pensioners, fear the loss of their homes and life-savings when S M van Achterbergh Holdings is auctioned later this month.

Bitterness, confusion and insecurity about their future are the most prevalent emotions expressed by the tenants of Il Trovatore, La Traviata, Aida, La Boheme, Carmen and Rigoletto Flats in the city.

These properties, including the Doringkloof Pick 'n Pay shopping centre, are to be sold by public auction at 11 am on January 28.

"We face a dark future," said Mr David van der Schyff yesterday.

The 73-year-old railways pensioner added: "My wife and I put most of our life-savings into the deposit for our little flat — now we may lose all."

"It means that I now have to pay a monthly rent of R150 for a flat which may never be mine," Mr van der Schyff said.

He also referred to his next door neighbour whose monthly rental had been hiked to R135.

His neighbour, an elderly widow, had paid a deposit of R600 on the flat — which she may now lose.

BITTER

"People living down the corridor in exactly the same size flat as hers have been paying R100 a month rent. Where is the justice in such a system?" Mr van der Schyff asked bitterly.

"Most of us pensioners here face either the slums or old age homes if no-one comes to our aid."

Tenants in the four adjoining blocks of Aida, La Boheme, Carmen and Rigoletto are considering forming an action committee "to fight for our rights."

"We will wait and see what the outcome of the auction is. Maybe the new owners will consider our position," said a caretaker of one of the blocks.

LESSEES

Mr van der Schyff paid a R2 000 deposit on his R15 000 flat. He has been paying monthly instalments of R135,00 since 1974.

He received a letter from the joint provisional liquidators dated November 15 last year. Among other provisions, the letter stated that from December 1 1976, the occupants would be regarded as lessees and would be responsible for rent calculated at one percent of the purchase price.

This provision was not stated in the English version attached to the circular

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'Pay as you go' pension plan slammed

Finance Reporter

THE TYPE of State pension scheme mooted by the Department of Social Welfare and Pensions will destroy the populations incentive to save, says Gavin Relly, chairman of the African Eagle Life Group.

The Department recently suggested the introduction of a compulsory State pension scheme for all taxpayers based on a contribution of seven percent of salary leading to a pension of 75 percent of the final salary at the age of 65.

The scheme also includes plans for extensive widows' and ill-health retirement benefits.

But, explains Relly, the scheme will not be capitalised in the same way as private pension schemes, but on a "pay-as-you-go" system of paying benefits from current income. "The capital forming function of pension funds," he warns, "will be removed, with dire consequences on the financing of the country's growing infrastructure."

And he adds: "Government borrowing through its imposition of the 50 percent content of gilts and other approved securities in all current pension funds will also be affected and, no doubt, replaced through additional taxation."

He points out that replacement of this capital, currently more than R7 000 million, will not be possible even with an optimum climate for attracting funds internally or from overseas.

"All the social objectives of a State pension scheme will be readily achieved by disallowing withdrawals of benefits whenever a member leaves a scheme and mandatory membership of private funds by all taxpayers.

This, he says, will preserve and increase what he calls "the national capital base."

Help for the jobless

There's clearly something wrong with unemployment insurance. Complacent denials by officialdom are no substitute for a thorough investigation

An *FM* staffer who visited the Pietermaritzburg district over Christmas returned with the disquieting news that people were breaking into houses and stealing — food. There could hardly be a starker illustration of the desperation of those caught between inflation on the one hand and joblessness on the other.

Estimates of Black unemployment vary widely, but there is no doubt that it has risen, and continues to rise, sharply. On top of this have come reports in the *Rand Daily Mail* that the unemployment insurance system is not functioning properly. Worse, government officials have been accused of sending jobless people on "wild goose chases" after vacancies already filled, and of deliberately withholding payment of Unemployment Insurance Fund (UIF) benefits.

The *FM* recently put these and other allegations to the Departments of Labour and Bantu Administration and Development (BAD), and was told that there "may be a bit of truth in them here and there, but in general they are untruths and half-truths. Many of them are obviously nonsense."

There is, nevertheless, a strong *prima facie* case for a full investigation of the functioning of the existing Unemployment Insurance Act. Secondly, there is an urgent need to extend the benefits provided under it.

Allegations of maladministration fall into four categories:

● Firstly, pregnant Africans have been told by Labour officials in Johannesburg that they cannot get maternity benefits until after their children have been born

despite the fact that they are legally entitled to them for up to 18 weeks before the expected date of confinement and up to 8 weeks thereafter.

Izak Schutte, Johannesburg's Divisional Inspector of Labour, says he will not comment on "general statements in the Press, but will gladly investigate specific cases." He says the policy with maternity (though not with other) benefits is to post cheques to mothers once their claims have been accepted.

● Secondly the Labour Bureau at the West Rand Bantu Affairs Administration Board (WRAB) has been accused of sending unemployment benefit claimants from "pillar to post" after jobs already filled by others. One firm which complained about being sent unsuitable people claims it was told "Don't worry, just fill in the form as 'unsuitable' and we don't have to pay them this week."

In terms of Section 35 of the Act, jobless people have to register as workseekers and then satisfy the Department of Labour that they have been actively, but unsuccessfully, looking for work before their claims will be accepted. Non-Africans register as workseekers at the Department of Labour, but Africans have to register with the various Bantu Affairs Administration Boards (BAABs).

Schutte says he requires a form from BAD (called a "Springbok") to the effect that the African has registered, before he can authorise benefit payments. If no job is available, he claims, there is normally a delay of no more than three weeks in the payment of benefits. "If there is any delay, it is because full information has not been provided."

Pierre de Villiers, Deputy Secretary (Administration) in the Department of Labour, says "The Fund is designed to pay benefits to *genuine and registered workseekers* of whatever colour. There is no reason why we should stall payments to anyone."

Dr Walter Cohen, assistant to the information officer at the WRAB, which must issue the jobless man with the "Springbok" before he can claim from the Department of Labour, claims the wild goose chase allegations are "absolute tripe. Our Labour Bureau does everything in its power to place the right man in the right job and thereby satisfy two people. Employers phone us when they have a vacancy, but it is of *colossal importance* that they notify us when the vacancy is filled. Very often they themselves find a man to fill it, but don't notify us accordingly. So we are not to blame, because we wouldn't send people to them if we knew the vacancy no longer existed."

"Another problem is that employers don't always specify their precise requirements. If they gave us more detail, we would be able to send them a selection of the right people for that particular job."

● A third problem, as the *FM* has reported on several occasions, is that employers fail to send in their own and their employees' contributions to the Fund.

Solveig Piper, who handles UIF complaints for the Black Sash in Durban, tells the *FM* she has been getting at least 10 complaints a day about employers failing to provide their workers with the requisite UF 74 card. She adds that the firms involved are mainly in the building industry, with a few in engineering as well.

Outside the WRAB labour bureau . . . shunted from pillar to post

Compulsory State pensions for all?

FM MAIL 28/1/77

Z98

The proposals for a State pension scheme are unrealistic. In fact, it's just pie in the sky

The Department of Social Welfare & Pensions' report on a possible universal and compulsory pension scheme continues to arouse strong feelings in the pensions industry.

Though Minister J P van der Spuy has emphasised that the proposal does not represent government policy, but is merely a basis for discussion, many see the document as the thin end of the socialist wedge. Almost to a man, insurers and pension funds have damned and condemned the proposal as an anachronism in SA's free-enterprise system. The Press has labelled the scheme a "monster". And a senior Treasury official told the *FM* that it is actuarially unsound and an "embarrassment". Predictably, the unions, however, have wholeheartedly thrown their weight behind the scheme.

It is based on universal and compulsory pension fund membership. To facilitate this a centralised fund will be formed. It will set certain minimum standards which are so high that many question its viability. Although the benefits are described in a confused way, it is suggested that all taxpayers receive an inflation-linked pension at 65 which equals 75% of final salary. There would also be extensive widows' and ill-health retirement benefits. Contributions, on the other hand, would be limited to only 7% of annual salary.

The scheme was not hatched in a vacuum. Problems with the current three-tier system of social pensions, occupational pension funds and private savings and insurance are well known and manifold. The department lists a number:

- Pensions are provided for only a small part of the population — in 1970 only 34% of the work force.
- Many funds are terminated (1 379 between 1964 and 1973, although 4 043 were established). On termination of funds, contributions and interest are repaid and often squandered.
- Some employees abuse the lump-sum repayment principle inherent in most present schemes, deliberately resigning to obtain some ready cash. Pension moneys paid out to members in circumstances other than death or retirement totalled R76,5m in 1973.
- On the other hand, some employees don't change jobs when they ought to through fear of losing pension rights, which are generally not transferable.
- Pension schemes are not uniform, with no minimum benefits enshrined in the Statute Book.
- Although the State attempts to keep social pensions (for those unable to provide for themselves in old age) to a minimum, the burden is rising rapidly. Between 1973 and 1975, old age pensions paid out by government soared from

Van der Spuy . . . a basis for discussion

Hansard 2 col 126 5/2/78

298

Homes for Indians

262. Mr. B. W. B. PAGE asked the Minister of Indian Affairs:

(a) What homes for (i) physically able and (ii) infirm aged Indians are there in the Republic, (b) where are they situated, (c) what is the number of inmates of each home and (d) by whom are the homes managed.

The MINISTER OF INDIAN AFFAIRS:

(a) (i) and (ii) The two homes for aged Indians accommodate both physical able and infirm persons.

(b) Durban and Pietermaritzburg.

(c) Durban 73
Pietermaritzburg 10

(d) The Aryan Benevolent Society.

State pension plan an illusion

PARTICIPANTS in Social Welfare Minister Van der Spuy's proposed pay-as-you-go national pension scheme could after 10 years be faced with having to pay contributions of as much as 26 per cent of monthly wages, rising theoretically to 116 per cent after 42 years.

PAYING for pensioners through the proposed national pension scheme could rapidly become an onerous burden for you and me. This is clear from actuarial calculations, writes deputy editor Nigel Bruce.

It all depends on whether the Minister sticks to his aim of providing pensions for all at 75 per cent of the wages earned just before retirement — and, of course, on the Cabinet's approving his extraordinary proposals.

This harsh reality — which has very serious consequences for the country as a whole — has been painstakingly calculated, on the most conservative of assumptions, by computer systems specialist Mike Worrall.

It makes nonsense of the Minister's declared illusion that such a high pension can be financed on monthly contributions of 7 per cent of wages.

It means, too, that were the scheme to be implemented, within a relatively short time it will either be facing bankruptcy or it will have to be scrapped, in which event the man in the street will lose all his contributions.

For a pay-as-you-go pension scheme means that no interest is being earned by a significant central fund of contributions that on dissolution could be distributed. What comes in on the one side goes out the other.

Moreover, as its implementation will mean either the nationalisation of the entrie life assurance and pensions industry or a large part of it, and will seriously reduce the public's desire to save, the man in the street will, in the event of its abolition, be left with virtually no old age provision.

Questions

To evoluate the scheme outlined in the Department of Social Welfare and Pension's recent report, Mr Worrall sought the answers to two vital questions:

- How long will it take for the contribution rate to begin stabilising if pensions of 75 per cent of final wages remains the aim?
- At what rate of contribution (expressed as a proportion of wages) will the costs of the scheme begin stabilising?

To do this he developed special mathematical probability formulae and fed them into a computer to obtain six different projections, each of varying probability assumptions, for each year from 1980 (the proposed beginning of the Minister's scheme) to 2079.

The calculations take into account the need to pay normal and ill-health pensions to the married, single and widowed on the basis of official statistics on likely total participation.

They were made on the basis of a standard life mortality table being increased by 15 per cent for normal pensions while the ill-health calculations were based on 40 per cent of life mortality rates.

The first projection assumes that wage increase rates vary uniformly from 7,5 per cent a year for each member at age 18 to 3,5 per cent a year at age 64.

The results show that contribution rates rise rapidly to 70,02 per cent of the monthly wages within 30 years and stabilise soon thereafter at 73,54 per cent.

The second projection assumes that all participants earn the same wages over the 100 years. These results show contributions rising to 11,02 per cent of monthly wages after 10 years to 25,10 per cent after 20 years and stabilising after 75 years at 35,45 per cent.

The third projection assumes that wage increase rates vary uniformly from 15 per cent a year at age 18 to 7 per cent a year at age 64 and that wages of new entrants at age 18 increase by 7 per cent a year.

It shows that contributions rise to 100,87 per cent of monthly wages within 23 years, stabilising at 117,04 per cent after 83 years.

The fourth projection assumes the same as the first except that the birth rate increases by 0,5 per cent a year after 1980. It shows monthly contributions rising to 72,02 per cent of wages in 36 years and stabilising at 65,09 per cent after 92 years.

The fifth projection also assumes the same as the first except that the birth rate decreases by 0,5 per cent a year after 1980. It shows contributions rising steadily to stabilise at 83,03 per cent of monthly wages after 95 years and that within 10 years they will have reached 23,06 per cent and within 20 years 54,68 per cent.

Projection

The final projection assumes the same as the first except that the birth rate increases by 0,5 per cent a year, new entrants' wages rise by 3 per cent each year and pensions rise by 4 per cent a year.

This shows that monthly contributions rise to 26,24 per cent of wages within 10 years, to 74,33 per cent in 20 years, to a peak of 115,54 in 42 years and stabilise only after 94 years at 106,85 per cent.

Mr Worrall, who is director of Computer Work (Pty), makes the point, too, that a pay-as-you-go pension scheme is more expensive for contributors than a conventional one as there is no significant pool of funds to invest and thus attract interest earnings.

For instance, a man age 40 who pays a R1 000 contribution to a conventional pension fund that invests it at 8 per cent a year compounded will receive R6 on retirement at 65. Interest earnings will have thus reduced his contribution rate by more than 85 per cent to achieve this benefit.

Under a pay-as-you-go scheme, however, he would have had to pay a contribution of R6 848 to achieve an equivalent lump sum benefit.

Nor, under a State pay-as-you-go system, are there any legal guarantees of minimum benefits. Pensioners are entirely dependent on the willingness of future generations to pay; the willingness expressed through their political representatives. There is always the danger that if contributions become too onerous, pensioners' benefits will be reduced or the scheme abolished.

Of course, Minister Van der Spuy has said that his department's report is only a basis for discussion and does not represent Government policy. Clearly, it would be disastrous if it did

But that qualification does not absolve him from responsibility for an ill-considered and inconclusive report on a specialist subject that was issued without adequate specialist actuarial advice first having been obtained.

After that, what credence can the Minister be given in the future?

Hansard 3 Col 172 7/2/77

298

Homes for aged White persons

269. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(a) What homes for (i) physically able and (ii) infirm aged White persons are there in the Republic, (b) how many persons are accommodated in these homes and (c) by whom are they managed.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(a) (i) and (ii).

The vast majority of the existing 361 homes accommodate physically able as well as infirm aged persons. There are however 28 subsidized homes and 8 State homes which could be regarded as providing accommodation exclusively for the infirm aged and a further 56 subsidized homes which provide accommodation mainly for the infirm aged. It is not known what the position is in regard to the existing 81 private homes.

(b) Provision is made for 21 828 persons.

(c) The State, registered welfare organizations and private concerns.

Hansard 3 @ cols 226 - 228 9/2/77

(298)

Homes for aged Coloureds

(254) Mr. W. G. KINGWILL asked the Minister of Coloured, Rehoboth and Nama Relations:

(a) what homes for (i) physically able and (ii) infirm aged Coloured people are there in the Republic, (b) where are they situated, (c) what is the number of inmates of each home and (d) by whom are the homes managed.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

(a) (i)	(b)	(c)	(d)
Coronation Memorial Home	Oudtshoorn	24	Coronation Memorial Home Committee
Resthaven Home for the Aged	Kimberley	40	Resthaven Welfare Society
(a) (ii)			
Erica Home for the Aged	Athlone, Cape	83	Cape Peninsula Welfare Organisation for the Aged
Lilyhaven Home for the Aged	Bonteheuwel, Cape	126	Cape Peninsula Welfare Organisation for the Aged
Nerina Home for the Aged	Bishop Lavis, Cape	98	Cape Peninsula Welfare Organisation for the Aged
Kensington Home for the Aged	Kensington, Cape	96	Kensington Home for the Aged Organisation
Jordan House	Johannesburg	75	Rand Aid Association
(a) (i) and (ii)	**(b)**	**(c)**	**(d)**
Huis Johannes	Beaufort West	70	Barmhartigheidsdienste van die N.G. Sendingkerk
De Novo State Home for the Aged	De Novo, Kraaifontein	250	Administration of Coloured Affairs
Douglas Murray Memorial Home	Retreat, Cape	90	Wynberg Society for the Coloured Aged
Isabel Beardmore Home for the Aged	Pietermaritzburg	78	Isabel Beardmore Homes for Coloured Aged Committee
Rawsonville Home for the Aged	Rawsonville	24	Barmhartigheidsdienste van die N.G. Sendingkerk
Rotary House	George	72	The Council for the Old Age Home
Sarepta Home for the Aged	Kuils River	72	Apostolic Faith Mission of S.A.
Steinkopf Home for the Aged	Steinkopf	40	Barmhartigheidsdienste van die N.G. Sendingkerk
Williston Home for the Aged	Williston	28	Barmhartigheidsdienste van die N.G. Sendingkerk

298, 22/1/202

Migrant workers can get pensions

Harold Fridjhon

Pensions of more than R1 000 a year are now available for black migrant workers and domestic servants under pension schemes which the South African Mutual announced last year.

Since the schemes were established more than 60 employers representing 10 000 employees have joined the plan for migrant workers.

By June 30 of this year the Mutual expects that an annual cash flow of R2 000 will have been generated. The numbers joining the scheme are growing monthly.

The important difference between this pension plan and the so-called "normal" firm's pension scheme is that the worker does not lose his pension rights if he moves from employer to employer.

OWN NAME

The individual's pension rights are in his own name and his future security depends on each new employer participating with the worker in the maintenance of the pension plan.

A similar pattern applies to pensions for domestic servants. Basically the scheme is a savings plan for her old age.

Contributions, [illegible] expense charges, are paid annually into a central fund where an individual account is kept for each employee.

These net contributions earn interest — and compound interest — and will continue to grow until an agreed retirement date. On retirement the amount in the account will be used to provide a monthly pension.

The minimum contribution is R50 a year. If this is paid for 30 years and earns interest at 8 percent a year, at the end of 30 years the employee will get a pension of R746 a year.

If, however, a 10 percent interest rate prevails, as seems probable, the pension benefit will be R1 242 a year — about R106 a month.

Normal retirement age is 65, but any employee has the right to retire at any time between the ages of 55 and 70.

29/12/77

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Cape Times 12/12/77

Pension plan for domestics

THE Old Mutual has introduced a pension scheme for domestic workers. It is an extension of its group pension plan for unskilled and semi-skilled workers, now in its second year of operation.

More than 40 employers, representing close to 10 000 employees, have gained the group pension plan. Mr Marius van den Heever, assistant general manager (pensions), is confident that by June 1977 this plan would have an inflow in premium income of about R1½ million.

The motivation for the development of a group pension plan for domestic workers was the same as for other unskilled and semi-skilled workers, a statement released by Old Mutual said yesterday. Because of their patterns of work the unskilled and semi-skilled worker in South Africa has a slender chance of ever drawing a meaningful pension from conventional plans, the statement said.

In times of recession these workers are often first in line for retrenchment and even where they may have belonged to pension funds, their benefits are often destroyed by retrenchment or some other interruption of their employment.

Savings plan

The group pension plan gives employers a chance to provide a meaningful pension for their employees even though their service may be interrupted from time to time, and they may not be able to work right up to the normally accepted retiring age of 60 or 65, the statement said.

Mr Van den Heever said the domestic workers scheme is basically a savings plan for old age. Contributions, which can be as little as R60 per year, are paid into a central fund. An individual account is kept for each employee. These net contributions gain interest in the normal way like other Old Mutual investments and remain to the employee's credit until an agreed retirement date.

At retirement the amount in this account is used to provide a monthly pension.

For example, if an contribution of R60 per year is paid for 30 years and earns interest at eight percent a year, the domestic worker will receive an estimated pension of R746 a year. However, if a 10 percent interest rate prevails, the pension benefit will be R1 242 a year. The final pension benefit will depend on the actual yield over the years.

Contributions are paid annually at the end of each year. This means that each payment will be for the past year worked by an employee. Normal retirement will be at age 65 but an employee may elect to retire at any time between the ages of 55 and 70.

An employer who joins the group pension plan receives a member's record book.

All employers, from large companies to householders with one domestic servant, can participate, the statement said. Employers may provide for past service benefits for employees of long standing.

298, 292
1.

Domestics to be eligible for pensions

CAPE TOWN—A pension scheme for domestic workers has been introduced by Old Mutual, the society announced here. It said that all employers—ranging from large companies to homeholders with one servant—could participate.

A spokesman said the new scheme would provide a meaningful pension even where service was interrupted, and where employees could not work to normally accepted retirement ages.

Contributions were paid annually at the end of each year, and could be as little as R60. An employee could elect to retire at any age between 55 and 70.

"Employers may, if they desire, provide for past-service benefits for employees of long standing."

For example, an amount of R2 000 contributed at age 50 would provide an annual pension of about R684 at 65, assuming an interest rate of 8 percent a year, and R1 020 if an interest rate of 10 percent a year prevailed.

"Contributions are paid into a central fund, and an individual account is kept for each employee."

The scheme was an extension of the society's group pension plan for unskilled and semi-skilled workers, now in its second year.

A further attack on State pension plan

14/9/77 BD

EAST LONDON — Not that it was really needed, but further condemnation of the proposed State pension scheme has come from the general manager of the Motor Industry Pensions Fund, Mr W. P. van Niekerk.

Writing in the latest issue of Boardroom, the official journal of the Chartered Institute of Secretaries and Institute of Directors, he says it has many short-comings.

"The proposed contribution rate of seven per cent of earnings is totally inadequate to secure an annuity of 75 per cent of earnings at normal retirement" he says. "In the vast majority of modern benefit determined pension funds, the joint contributions of employer and employee amount to at least ten per cent of earnings, and in many cases as high as 17 per cent.

"With inflation and ever rising earnings, it is clear that the fund's ultimate liabilities must increase all the time.

"To adjust any shortfall in actuarial liabilities it is, of course, possible to increase contributions from time to time, but apart from growth in contributions consequent upon increases in earnings, such corrective action is not visualised in the report.

"In order to keep the fund solvent, it can be expected that employers shall, from time to time, make additional payments to the fund, but with a vast number of employers, many of whom will be small and financially unable to make such payments, it is highly improbably that any reliance can be placed on that source.

"The only other source is the State coffers, which means that John Citizen will have to pay more tax."

So there you have it. Not only insurance companies and assurance societies have made strong protests, but a man who handles one of the country's major pension funds is also of the opinion that, in its intended form, such a pension scheme is inoperable.

Again I say, the Government should scrap such an idea. Instead, let there be a "fixed sum" pension scheme, whereby contributions of, say, five per cent of wages and salaries form the contributions for a guaranteed pension on retirement at 65 of something in the region of, perhaps, R100 a month.

This will ensure some form of income for every citizen — of all races — but will not discourage savings (as it has done in Britain) and will continue to encourage private pension schemes in their present form.

And by all means let the companies and societies amend their schemes to allow pensions to be transferable. Once that is done there can be no complaints.

— BUSINESS EDITOR

Sandton home for aged

In its last meeting before next month's election, the Sandton Town Council last night passed 35 resolutions in less than an hour and adjourned with ample time for canvassing.

The council granted its consent for a 24-bed old age home planned for three-storey townhouses in Helen Street, a cul-de-sac bordered by a park. The minimum age for residents would be 55. Applicant was Mrs M Smith of Saxonwold.

The council also voted R1 100 to cover the increased cost of alterations, approved last November, to the Witkoppen Bantu Clinic. According to a letter from Dr Louis Smuts, clinic medical officer, the architect who had estimated a cost of R4 500 for the alterations could not find a builder willing to do the job for that price. Lowest bid was nearly R1 100 above the estimate the council had earlier approved.

The Department of Planning was studying the council's request to establish an Indian area in or around Sandton, according to Mr Schalk Visser (MPC), management committee chairman.

Defence pensions

CAPE TOWN — In terms of the Pension Laws Amendment Bill any person who was dependent on a serviceman at the time of his death is entitled to half the serviceman's annual pension.

The Bill, introduced by the deputy Minister of Social Welfare and Pensions, Mr T Janson, stipulates the secretary of the department has to be satisfied the parent or foster parent of the deceased serviceman was entirely dependent on him for their livelihood.

The Bill also makes provision for additional medical travelling and subsistance allowances to be paid to servicemen with regard to medical services. — SAPA.

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Plea on pension tax deductions ahead of budget

Colin Campbell

The Association of Pension and Provident Funds of South Africa has asked for changes in the present limits for tax deductions for contributions to pension and retirement annuity funds.

And the Secretary for Inland Revenue has told the association that their pleas will be borne in mind when the budget proposals come up for consideration.

The association has also made representation to the various authorities to:

- Consider the "hardship aspects" of the Means Test;
- Assist in the provision of housing loans for black members (under current legislation there is no provision enabling loans for housing to be made to black members in respect of leasehold properties);
- To set up a committee to consider the proposals for a State pension scheme which the association, on present evidence, feels is "unsound;"
- Voice its regret that funds were "requested" to invest an additional 2 percent in Government stock, and its hope that it will soon be removed.

In its latest annual report, the Association says that the Government's ever increasing demand for capital for the public sector seemingly overlooks the fact that this policy decreases the ability of the movement to provide capital for the private sector.

The Association is holding a three-day conference at the Carlton Hotel, Johannesburg, March 28-30 at which topics such as problems of funding in an inflationary age; and investing pension fund assets in the present investment climate will be discussed.

The conference will be opened by the president of the Chamber of Mines, Mr R A Plumbridge.

Hansard 7 col cols 597 – 598 9/3/77

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Homes for Bantu aged/disabled persons

550 Mr. R. M. CADMAN asked the Minister of Bantu Administration and Development:

(1) (a) What homes for (i) physically able aged and (ii) infirm aged and other disabled Bantu persons are there in each of the homelands, (b) what is the number of inmates of each home and (c) by which bodies are the homes run;

(2) whether there are any homes for aged Bantu in White areas; if so, (a) where are they situated, (b) how many inmates can they accommodate and (c) by whom are the homes run.

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT:

Homes for Physically Able Aged	Homeland	Number of inmates	Administered By
Kwabadala	KwaZulu	70	Church
Anthony Baker	KwaZulu	22	Welfare Organization
T. C. Esterhuysen	Bophuthatswana	14	Church
Gelukspan	Bophuthatswana	59	Church
Boiketlong	Bophuthatswana	89	Church
Ekuphumleni	Ciskei	256	Ciskei Government
Sekutupu	Lebowa	106	Lebowa Government
Bophutswa	Lebowa	144	Lebowa Government
Klipplaatdrift	Lebowa	58	Board
Thekolohelong	QwaQwa	100	QwaQwa Government
Kwabadala	KwaZulu	155	Church
Montebello	KwaZulu	151	Church
Madadeni	KwaZulu	70	Church
Gelukspan	Bophuthatswana	100	Church
Gelukspan	Bophuthatswana	279	Church
T. C. Esterhuysen	Bophuthatswana	38	Church
Boiketlong	Bophuthatswana	32	Church
Peddie	Ciskei	74	Ciskei Government
Khathutshelo	Venda	118	Venda Government
Hyayani	Venda	183	Venda Government
Matlala	Lebowa	66	Lebowa Government
Sekutupu	Lebowa	72	Lebowa Government
Meetsi-a-Bophelo	Lebowa	106	Lebowa Government
Thekolohelong	QwaQwa	73	QwaQwa Government
Letaba	Gazankulu	247	Church

(2) Yes.

(a), (b) and (c).

Situation	Number of Inmates	Administered By
Bloemfontein	38	Bantu Affairs Administration Board
Pietermaritzburg	27	Welfare Organization
Durban	75	Development and Service Board
Dundee	35	Church

Pension inquiry proposed

Labour Reporter

A leading trade unionist has proposed that a commission of inquiry be appointed to examine the proposed National Contributory Pension Scheme by inviting written and oral testimony from all interested parties.

With all the expertise then available, a viable national pension scheme acceptable to all would surely be formulated, said Mr Ben Nicholson, secretary/director of the 80 000-strong Confederation of Metal and Building Unions.

Writing in the latest edition of the trade union journal Power, Mr Nicholson said the "hysterical outbursts" against the scheme for vested interests seemed to indicate that these organisations had much to lose if the scheme came to fruition.

They also seemed to indicate that the administration of existing pension funds probably provided a very good living for those connected with them.

298.

Pensions of 315 blacks stopped

GRAHAMSTOWN — Pensions have been withdrawn from 315 blacks in the Grahamstown magisterial district and a further 358 are due to suffer a similar fate — because they are unable to give acceptable proof of their dates of birth.

This was revealed yesterday by the Grahamstown Bantu Affairs Commissioner, Mr P. Nel, who is trying to get the pensions reinstated retrospective from January.

Pensions were withdrawn from December. He said he foresaw much hardship in the district this winter caused by the cancellation of the pensions, which average about R15 a month and are paid every second month.

He said an inspector of the Department of Bantu Administration from Pretoria came to Grahamstown in February last year to review pensions. The inspector said the reason was that the number of pensions being paid at Grahamstown was not proportionate of the population.

Mr Nel said the inspector decided that many people to whom pensions were being paid were too young to warrant them. He said they were required to supply their dates of birth, but they had no proof of age.

Mr Nel said he personally could see that some of the people whose pensions had been withdrawn were old enough to qualify. — DDC

Pension age rule explained

PORT ELIZABETH — Blacks whose pensions were withdrawn because they could not prove their ages could appeal to Bantu Affairs Commissioners, a senior spokesman for the Department of Bantu Administration in Pretoria said yesterday.

He was commenting on a disclosure by the Bantu Affairs Commissioner at Grahamstown, Mr P. Nel, that pensions of 315 blacks in the district had been cancelled from December and that a further 358 faced a similar fate.

The spokesman said where the age of people applying for pensions was in doubt, an assessment of age was made by the local Bantu Affairs Commissioner.

However, where assessments by Bantu Affairs Commissioners differed markedly from population register records, and the records showed an applicant to be too young to qualify for a pension, the application would be refused. But these people could appeal against refusals and their cases would be reconsidered.

Where necessary, departmental inspectors visited different areas to investigate whether people were eligible for pensions.

"We do not try to do anybody out of a pension if they deserve it. But there are strict age and means requirements which must be enforced," the spokesman said. It had been found that people in their 40s had been receiving old age pensions. They could be made to pay back money they had received, but this was not done. he said.

Mr Nel said yesterday he was considering asking the Department of Bantu Administration to reassess people who had, or were to have their pensions cancelled.

This was because an inspector who visited Grahamstown last February to investigate pensions had not questioned the people concerned thoroughly about their age and had relied mainly on population register records.

Mr Nel said many of the disqualified pensioners had appealed to him because they were suffering hardship.

All the disputed pensions had originally been recommended by a previous Bantu Affairs Commissioner. Last February's investigation had been conducted because the number of pensions paid in Grahamstown was not proportionate to the population. — DDC.

Pensioners told they can appeal

2018
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16/3/71

Own Correspondent

PORT ELIZABETH.

Africans whose pensions are withdrawn because they cannot prove their ages, can appeal to have them reinstated.

The Bantu Affairs Commissioner for Grahamstown, Mr P. Nel, said this week that pensions for 315 Africans in the district had been cancelled, and that a further 358 faced a similar fate.

But a senior spokesman for the Department of Bantu Administration said yesterday that where the ages of people applying for pensions were in doubt, assessments were made by the local commissioner.

People could appeal against the cancellation of their pensions, and their cases would be considered, the spokesman said.

Hansard 8 Q col 675 18/3/77

Attendant's allowances for Bantu

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628. Mr. G. N. OLDFIELD asked the Minister of Bantu Administration and Development:

(1) How many Bantu persons in receipt of (a) old age, (b) war veterans', (c) disability and (d) blind persons' pension are at present receiving an attendant's allowance;

(2) (a) what is the present monthly amount of the allowance payable to such pensioners and (b) from what date was the present amount determined;

(3) whether consideration has been given to increasing the present amount paid; if so, with what result; if not, why not.

The MINISTER OF BANTU ADMINISTRATION AND DEVELOPMENT:

(1) The information as requested is not readily available as the attendant's allowance is incorporated in the bi-monthly grants.

(2) (a) R4,00.

(b) 1 October 1968.

(3) Yes, but in view of the considerable increases of social pensions granted since 1 October 1973 it has been decided not to increase the attendant's allowance.

* * * * * * * * * *

12.

3. Write briefly on the causes of urbanisation.

(10 marks)

Senate Hansard 8 Q cols 55-56

3/5/76

(298)

MONDAY, 3 MAY 1976

† Indicates translated version.

For written reply:

Homes for aged White persons in Durban

327. Senator the Hon. E. D. WINCHESTER asked the Minister of Social Welfare and Pensions:

(1) (a) How many homes for aged White persons are there in Durban and (b) how many persons are accommodated in such homes;

(2) what is the *per capita* amount paid as a subsidy to welfare organizations in respect of each category of aged persons accommodated in such homes.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) 14 Registered homes.

(b) 1 218, but varies from day to day.

		As from 1.10.1976
(2) (i)	Normal aged persons	R6-50 p.m. R7-00 p.m.
(ii)	Infirm aged persons	R34-50 p.m. R38-00 p.m.
(iii)	Infirm aged persons where regular nursing services are available	R57-00 p.m. R62-50 p.m.
(iv)	Extremely infirm aged or chronic sick persons	R80-00 p.m. R88-00 p.m.

29/2

PENSIONS CUT FOR 315 BLACKS

W/L ARGUS 19/3/77

Date of birth muddle hits elderly

From Peter Goosen

PORT ELIZABETH. — More than 650 elderly Africans in Grahamstown face a cold and hungry winter because a Pretoria official of the Department of Bantu Administration decided there were too many pensioners in the area in proportion to the population.

In a move which has shocked both Black and White 315 Africans have had their pensions withdrawn and have received nothing since December because they cannot furnish documentary proof of their date of birth.

A further 358 face a similar fate and although they can appeal against the decision, it will take months before their pensions, which average R30 every two months, can be reinstated.

Because the pensioners are scattered throughout the Albany district some of them do not know their pensions have been withdrawn.

WORRIED

I learnt in Grahamstown this week that although the 315 cannot furnish documentary proof of their birth date

ously old enough to qualify for a pension.

The Bantu Affairs Commissioner in Grahamstown, Mr P. Nel, said this week he was extremely worried about the fate of the pensioners and was going all out to have as many reinstated as soon as possible.

He said although it was left to the Bantu Affairs Commissioner to decide whether or not an African was eligible for a pension, the Department of Bantu Administration in Pretoria could intervene and send an inspector to examine the pension list.

'This is what happened in this case. It was decided that there were too many pensioners in proportion to the population and an inspector who visited here from Pretoria decided some were too young to qualify and took 315 people off the list because they could not furnish documentary proof of their birth date,' Mr Nel said.

He said he had been on leave at the time of the inspector's visit to the district.

'I must say that it is obvious that some of the people taken off the list do qualify for a pension and their eligibility cannot be doubted,' Mr Nel said.

However, there were also some who were obviously younger than the age limit of 65 for men and 60 for women.

Mr Nel said Africans in Albany dated their births

A GRAHAMSTOWN old age pensioner — many of them face a bleak winter without pension, in many cases their only means of support.

Grahamstown's Bantu Affairs Commissioner Mr P. Nel, who is trying to get those Africans who really qualify back on the old aged pension list.

by coupling it with Halley's Comet in 1910 or the great flu of 1918.

He said Pretoria had not taken into account the fact that these pensioners might have been several years old when these events occurred.

I was told in Grahamstown this week that the inspector from Pretoria told one woman she was at least 10 years younger than the age of about 67 she claimed to be.

HARD HIT

He ignored the fact that this could have made her 14 at the time of her marriage according to her marriage certificate of 1934.

The certificate gives her age at the marriage as about 24.

The withdrawal of the pensions is a blow to Grahamstown's African population which is already hard hit by unemployment in an area known for few work opportunities.

The Mayor of Grahamstown, Mr Gerrit Fourie, said the city was concerned. After an emergency City Council meeting it was decided to launch a fund aimed at helping the pensioners until such time as their cases could be reconsidered and their pensions reinstated.

A spokesman for the Department of Bantu Administration said in Pretoria this week where the age of people applying for pensions was in doubt an assessment of age was made by the local Bantu Affairs Commissioner.

However, where assessments by Bantu Affairs Commissioners differed markedly from population register records and the records showed an applicant to be too young to qualify for a pension the application would be refused.

People could appeal against refusals and their cases would be reconsidered.

'We do not try to do anybody out of a pension if they deserve it but there are strict age and means requirements which must be enforced,' the spokesman said.

It had been found that people in their forties had been receiving old age pensions.

QUOTE

By Grahamstown Mayor Gerrit Fourie:
There are a lot of genuine pensioners who are facing starvation.

STARVATION —AT A STROKE

20/3/77 ST.

Mercy fund launched to save old folk as inspector axes pensions

Tribune Reporter

MORE than 650 elderly Africans in Grahamstown face a cold and hungry winter because a Pretoria official from the Department of Bantu Administration decided there were too many pensioners in the area.

In a move which has shocked both black and white in the university city, 315 Africans have had their pensions withdrawn and have received nothing since December because they cannot furnish documentary proof of their date of birth.

A further 358 face a similar fate and although they can appeal against the decision it will take months before their pension, which averages R30 every two months, can be reinstated.

Mr Bill Deacon MP: Plans to raise issue in Parliament

The pensioners are scattered throughout the Albany district and some of them do not know their pension has been withdrawn.

Although the Africans cannot furnish proof of their birth dates, many are obviously old enough to qualify for a pension.

The Bantu Affairs Commissioner in Grahamstown, Mr P. Nel said this week he was worried about the fate of the pensioners and was trying to have as many reinstated as quickly as possible.

Eligible

He said it was usually left to the Bantu Affairs Commissioner to decide whether an African was eligible for a pension but the Department of Bantu Administration in Pretoria could intervene.

He ignored the fact that this would have made her 14 at the time of her marriage, according to her 1934 marriage certificate — which gives her age as about 24.

The withdrawal of the pensions is a staggering blow to Grahamstown's African population which is already hard hit by unemployment in an area with few work opportunities.

The Mayor of Grahamstown, Mr Gerrit Fourie said the City Council had held an emergency meeting and decided to launch a fund for the pensioners.

"We realise there are some Africans who do not qualify for a pension but at the same time there are a lot of genuine pensioners who

said. "It was decided there were too many pensioners in proportion to the population.

"An inspector who visited here from Pretoria decided some were too young to qualify and took 315 people off the list because they could not furnish documentary proof of their birth date."

Mr Nel had been on leave at the time of the inspector's visit to the district.

"I must say it is obvious that some of the people taken off the list do qualify for a pension and their eligibility cannot be doubted," he said.

Younger

However there were also some who were obviously younger than the age limit of 65 for men and 60 for women.

Mr Nel said Africans in Albany dated their births by association with Halley's Comet in 1910 or the great flu of 1918. Pretoria had not taken into account the fact that these pensioners might have been several years old when these events occurred.

The Inspector allegedly told one woman she was at least ten enough money in Grahamstown to be able to pay the equivalent of their pensions until other arrangements are made."

Question

The Independent United Party MP for Albany, Mr Bill Deacon, has been told of the pension issue and will raise it in Parliament.

A Spokesman for the Department of Bantu Administration said where the age of people applying for pensions was in doubt, an assessment of age was made by the local Bantu Affairs Commisioner.

However where assessments by Bantu Affairs commissioners differed markedly from population register records and the records showed an applicant to be too young to qualify for a pension, the application would be refused.

People could appeal against refusals and their cases would be reconsidered.

"We don't try to do anybody out of a pension if they deserve it but there are strict age and means requirements which must be enforced," the spokesman said.

It had been found that people in their forties had been receiving old age pensions.

18. We define an inferior good as one with

1. An inelastic supply curve.
2. A negative cross elasticity of demand.
3. A positive income elasticity of demand.
4. An elasticity of demand of less than one.
5. None of the above.

19. Income rises by 10%. Suppose the demand for cups is income inelastic. One would expect

1. A fall in the demand for saucers.
2. A fall in the demand for cups.
3. A rise in demand for cups of more than 10%.
4. A rise in demand for saucers of less than 10%.
5. A fall in demand for both cups and saucers.

20. If the price elasticity of demand for cabbage is 1,3, would a rise in output due to favourable weather conditions cause farmers to

1. Make more money than they would otherwise have done.
2. Make less money than they would otherwise have done.
3. Plant different crops next year.
4. Demand a higher price per cabbage.
5. None of the above.

21. Assume that the supply of maize
decrease (shift to the left) in

1. Cause the price of maize to
2. Cause farmers' incomes to fal
3. Cause farmers' incomes to ris
4. Lead to a reduction in the s
5. None of the above.

22. Consider the following statement

(A) The cobweb model is based on

(B)

1.
2.
3.
4. Neither A nor B is correct
5. A is correct but B is inc

23. One reason why the quantity d
its price rises is

1. The increase in price shi
2. The increase in price shi
3. At higher prices supplier
4. People feel poorer and cu
5. Demand has to fall to rest

(c) 520.

8. (d)

(b) 43.

(1) (a) 830.

Welfare for Coloured persons in the Republic is a matter which has been delegated to the Executive of the Coloured Persons Representative Council. I have, however, ascertained that the reply to the question is as follows:

(1) How many Coloured persons in receipt of (a) old age, (b) war veterans', (c) disability and (d) blind persons' pension are at present receiving an attendant's allowance;

(2) (a) what is the present monthly amount of the allowance payable to such pensioners and (b) from what date was the present amount determined;

(3) whether consideration has been given to increasing the present amount paid; if so, with what result; if not, why not.

(2) R5.

(b) 1 October 1965.

(3) All aspects of social pensions are reviewed regularly. Improvements are brought about as funds become available. This will not be known before the main budget has been introduced.

Coloureds: Pensions/allowances

(626) Mr. G. N. OLDFIELD asked the Minister of Coloured, Rehoboth and Nama Relations:

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

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ice rise.

Hansard 9 Qcols 720-721 25/3/77

Old-age pensions for Bantu

(14) Mrs. H. SUZMAN asked the Minister of Bantu Administration and Development:

(1) Whether his Department is investigating the eligibility of Bantu who are receiving old-age pensions; if so, on whose instructions;

(2) whether any pensions have been cancelled; if so, how many.

The DEPUTY MINISTER OF BANTU ADMINISTRATION AND EDUCATION:

(1) No special investigations have been instructed. It is normal procedure to review pensions during the course of routine inspections to ensure that beneficiaries qualify for such pensions, e.g. in respect of age.

(2) Yes. Since February 1976 approximately 400 old-age pensions were cancelled out of a total of approximately 10 000 cases reviewed.

33. Where the price
high, the effect
to :

1. Have almost
2. Place a rela
of the cons
3. Place a rela
of the prod
4. Reduce gover
5. Shift the de

good was relatively
that good would be

298

he tax on the shoulders
i
the tax on the shoulders

34. If the price ela
effect of a bump
expected level w

oes was o.25 then the
put 20% above the expecte

1. Raise revenue
2. Raise revenue
3. Reduce prices
4. Both 1. and 4
5. Reduce revenu

t the increased output.

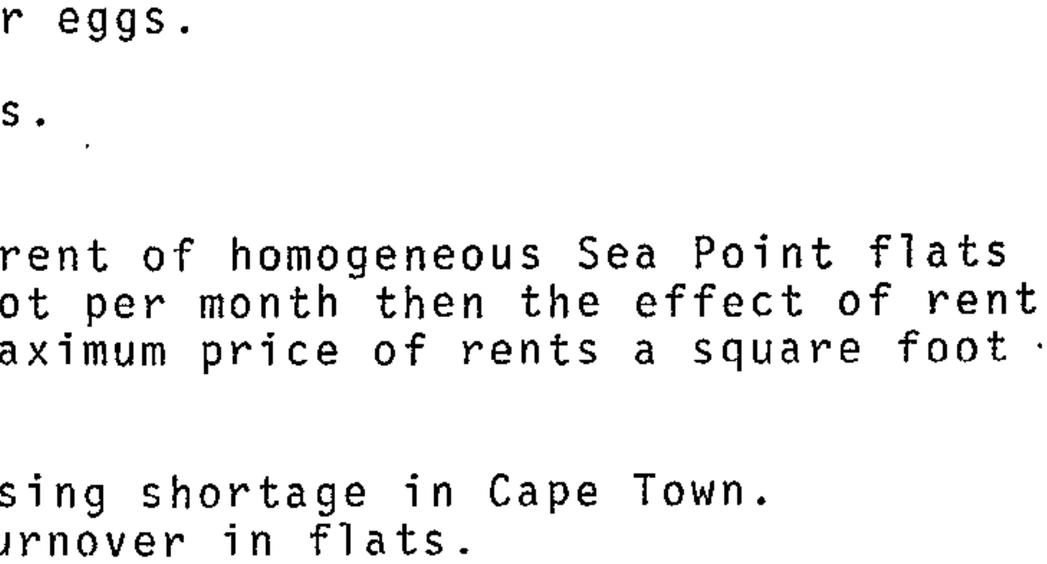
35. If the equilibrium market price of eggs was 20 cents a dozen, then the effect of legislation which ruled that the minimum price of eggs could not be below 18 cents a dozen would be to :

1. Reduce the supply of eggs.
2. Increase the demand for eggs.
3. Both 1. and 2. above.
4. Cause a surplus of eggs.
5. Have no effect.

36. If the equilibrium market rent of homogeneous Sea Point flats was 10 cents per square foot per month then the effect of rent control that laid down a maximum price of rents a square foot would be to :

1. Help alleviate the housing shortage in Cape Town.
2. Increase the rate of turnover in flats.
3. Increase the chances of newly married couples finding a flat in Sea Point.
4. Make it more difficult for newcomers to find a flat.
5. All three possibilities 1. 2. and 3. above.

37. In the following diagram economic rent is :



1. EF per unit of land.
2. OABG
3. The amount ABCF
4. The triangle ECF
5. The rectangle ABCE

46. A buffer stock scheme which aims to stabilise prices -

1. Can never be self financing.
2. Costs the government nothing because it buys or sells stocks at the same price.
3. Stabilises incomes as well.
4. Both 1. and 2. above.
5. Can never work because one cannot control the weather.

47. According to Edwin P. Reubens' article in Challenge the world food shortage is due primarily to -

1. The failure in 1972 to find many anchovies off the Peruvian coast.
2. World economic growth and the high income elasticity of demand for meat.
3. The burning of surplus crops.
4. World population growth outstripping food supplies.
5. Deliberate cutbacks by major producers in the output of wheat.

48. The primary cause of oscillating migration in the South African economy is that

1. Black workers like it that way.
2. Employers do not need labour right through the year.
3. The economy is expanding.
4. The pursuit of two goals,
   (b) Creation of independe
   African Blacks must be ci
5. It happens everywhere else

l South

49. In a simple two country world tr
commodity, the effect of a tar
country would be to :

1. Benefit producers in the i
2. Harm both producers and co
3. Benefit both producers and
4. Benefit both producers and
5. Increase exports.

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50. If you won't have to give up a
particular thing, then its opp

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1. Zero.
2. Not measurable.
3. Variable.
4. Infinite.
5. None of the above.

(3) On review it was found that the ages as reduced in the initial applications were incorrect

(4) No. There is nothing further that I can add.

(2) whether any pensions are due to be withdrawn; if so, how many;

(3) what are the reasons for the withdrawal of the pensions;

(4) whether he will make a statement on the matter.

The MINISTER for BANTU ADMINISTRATION AND DEVELOPMENT:

(1) Yes, 220 cases

(2) No.

Grahamstown: Pensions for Blacks

683 Mr. W. H. D. DEACON asked the Minister of Bantu Administration and Development:

(1) Whether the pensions of any Blacks in the Grahamstown magisterial district have been withdrawn; if so, how many pensions;

298

January 9 Oct 726 25/3/77

25/3/77 DDR

Two tonnes food donated

EAST LONDON — Two tonnes of food has been donated to feed the 315 Grahamstown blacks whose old age pensions were withdrawn in December — but most of the pensioners cannot be traced.

The vie-chairman of the Grahamstown Area Distress Relief Association, Dr R. Vaughn, said his organisation had received a list of pension numbers to work from, but had been unable to obtain the names and addresses of the pensioners from the relevant government department in Pretoria.

"So far we have contacted about 75 people, but we appeal to the others to come forward and make themselves known to Gadra or the Bantu Administration Department," Dr Vaughn said.

Only old age pensioners should come forward, not those whose disability pensions had been discontinued.

The donation of two tonnes of essential foodstuffs by a national supermarket chain was "magnificent", Dr Vaughn said, but it was not only food that was needed.

"Most of the pensioners are now two months in arrears with their rent and though the Bantu Affairs Administration Board has agreed to waive the rent of any of these people living on BAAB properties, money is still vital," Dr Vaughn said.

The emergency relief fund organised by Grahamstown's Mayor, Mr G. Fourie, is aiming to collect R4 500 for the pensioners, the amount which they would have received in pensions.

The first tonne of food for the pensioners will arrive in Grahamstown on Monday or Tuesday, and Dr Vaughn said Gadra would start distributing this food on Tuesday afternoon.

Meanwhile it appears the Bantu Affairs Commissioner in Grahamstown, Mr P. Nel, has won a reprieve for the other 358 pensioners who were to have had their pensions withdrawn.

Dr Vaughn said he believed each of these cases would now be investigated individually and thoroughly before any action was taken. — DDR.

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Dispute over race gap in pensions

3/2/73 Pa

Political Staff

CAPE TOWN — An Opposition spokesman has hit at the Government for not closing the pension gap between whites and blacks.

The Budget gave whites R7 increases, R4 to coloured, Indian and Chinese pensioners, and R2 to blacks.

Mr Harry Schwarz, for the Progressive Reform Party, described the pensions as "inadequate in the light of prevailing inflation rates." And he criticised increasing the "absolute gap in monetary terms between the races at a time we should be moving away from discrimination."

Mr C A van Coller of the United Party said there was no doubt that the pension differentiation was discriminatory and unfair because foodcosts the same to all.

He believed, however, that the increases narrowed the gap slightly.

Mr van Coller criticised the fact that the increases must wait until October 1.

Mr Joe Carrim, an executive member of the South African Indian Council, said that Senator Horwood could have shown a pattern in which blacks could have received better pension increases than whites.

Import surcharges would hit a lot of commodities and lower the standard of living. And every citizen would now have to pay the price for South Africa's policies.

Mr Norman Middleton, an executive member of the Coloured Representative Council, said that South Africa was in a state of bankruptcy because of a policy of "separate but unequal development."

"As executive member responsible for social welfare and pensions I am greatly disappointed with the increases. Rather than narrowing the gap it is instead being widened," he said.

His particular worry was the gap has widened for coloured ex-servicemen.

Mrs Zerilda Droskie, director of the South African Council for the Care of the Aged, was pleased with the increases but felt they should have been spread more evenly among the different race groups.

"Although we are terribly grateful to the Minister it would have been better if he could have given each pensioner a R5 a month increase," she said.

Veteran pension campaigner, Major Koos Ueckerman of George said he was pleased with the increases "particularly the 10 percent increase for military pensions."

FIN. MAIL 1/4/77

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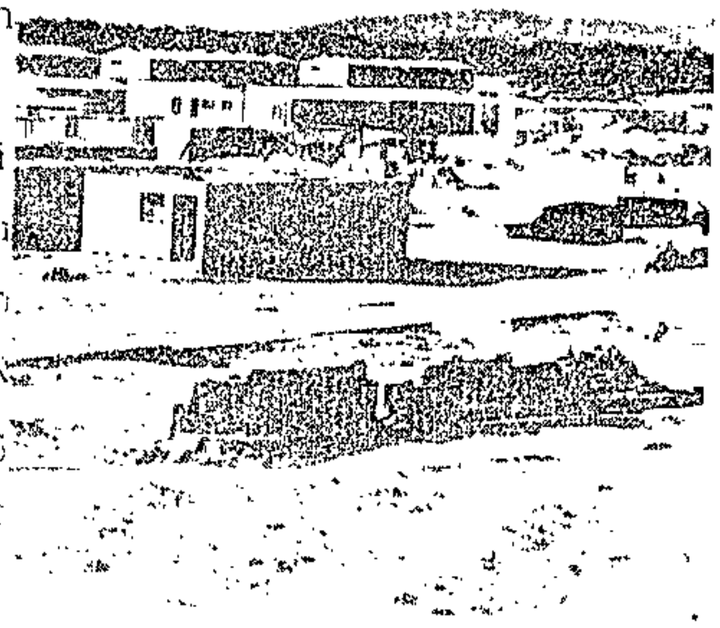
SOCIAL SECURITY
Pension parsimony

Black pensioners have little to be thankful for. Government is supposed to be closing the gap between black and white pensions. Horwood, however, appears to have forgotten this.

White pensions go up by R7 a month. This makes the minimum for whites R32 and the maximum R72 a month. Hardly princely sums. But African pensions, on the other hand, only go up R2, making the new minimum R14 and the new max



spot in increased spending

imum R20,50.

The picture looks even worse when these figures are compared to last year's. Then white pensions went up R8; Africans R3,50; and coloureds and Indians R4,50 (compared to R4 this year).

One could, of course, argue that African pensions are up 11% on the maximum figure and white pensions only 10%. But to plan pensions this way would probably mean closing the gap in about 100 year's time.

Besides which, the fact remains that when minima are compared, the white figure has jumped by 28%, the black by only 16%.

And when one compares last year's pension increases with this year's, the fact remains that the amount proposed for each white has dropped by 12½%, for each coloured or Indian by 11% but for each African by a staggering 43%. Hardly the way to close the gap!

Nevertheless, there are some bright spots. The National Housing Commission gets an extra R43m, a 39% increase over last year. The bulk of this will go on housing and facilities in African and coloured areas.

This will obviously mean extra jobs, besides the advantages to the communities. It will help, of course, if the money is spent in consultation with the communities.

As far as Bantu Education (BED) is concerned, the position is confused. Horwood announced that the vote was being increased by 50%.

But the transfer in provisions between votes makes this year's figure not comparable with last year's. Much of the R33m drop in the Bantu Administration budget may be reflected in the Education increase.

Besides this, the BED budget contains a R10m increase for black universities and a R14m increase in capital expenditure. Much of this might go on riot damaged schools rather than new projects.

So the jubilation, it seems, will have to wait awhile.

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re than 50 per cent of the rural

Irs are enrolled in primary schools

n, Germiston, Kempton Park;

1 48, Odendaalsrus, Virginia,

benskroon and Vredefort; region 55, the

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'coloured' children on white-owned

YEARS LIVING IN RURAL 'WHITE'
MARY) SCHOOLS IN 1975, By

	Primary School pupils as a percentage of population aged 5-14 years
	48,9
	24,1
	54,9
	85,9
Somerset	
gh,	45,3
Hermanus,	61,6

continued/

Hansard 13 col 985 29/4/77

(298)

Pensions for Whites

851. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) How many White persons were at the end of 1976 in receipt of (a) old age pension, (b) blind persons' pension, (c) disability pension and (d) war veterans' pension;

(2) how many of these pensioners were receiving the maximum amount payable in respect of each of the four types of pension;

(3) what was the average annual amount paid per pensioner during 1976 to persons in receipt of each of these four types of pension;

(4) whether the means test applicable to social pensions is to be amended this year; if so, (a) to what extent and (b) what is the nature of the proposed amendments; if not, why not.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) Republic and South West Africa.

(a) 135 953.

(b) 821.

(c) 23 645.

(d) 14 620.

(2) (a) 122 277.

(b) 708.

(c) 21 974.

(d) 12 254.

(3) (a) R900.

(b) R858.

(c) R858.

(d) R996.

(4) No.

(a) Falls away.

(b) It is not clear whether the hon. member has an intensification or relaxation of the means test in mind. In any event the question involves the consideration of such a wide range of possibilities that it is not possible to furnish a proper reply without knowing the nature of the amendment or amendments to which the hon. member refers.

Hansard B col 988

29/4/77

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Homes for aged White persons

877. Mr. T. ARONSON asked the Minister of Social Welfare and Pensions:

(1) How many aged White persons are accommodated in homes which are administered by a private company;

(2) what amount per annum is paid to this company by his Department;

(3) whether his Department has the right to analyse the books and balance sheet of the company; if so, how often is this done.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) If the question refers to aged persons accommodated on behalf of the Department, the reply is: 374.

(2) The daily rate applicable during the particular year multiplied by the number of accommodation days.

(3) Yes. Annually.

Hansard 14
col 1031
5/5/77

298

PENSIONS FOR INDIANS

852. Mr. G. N. OLDFIELD asked the Minister of Indian Affairs:

(1) How many Indian persons were at the end of 1976 in receipt of (a) old-age pension, (b) blind persons' pension, (c) disability pension and (d) war veterans' pension;

(2) how many of these pensioners were receiving the maximum amount payable in respect of each of these four types of pension;

(3) what is the average annual amount paid per pensioner during 1976 to persons in receipt of each of these four types of pension;

(4) whether the means test applicable to social pensions is to be amended this year; if so, (a) to what extent and (b) what is the nature of the proposed amendments; if not, why not.

The MINISTER OF INDIAN AFFAIRS:

(1) (a) 14 267.

(b) 197.

(c) 12 043.

(d) 211.

(2) (a) 96,6%.

(b) 88%.

(c) 97,2%.

(d) 95,8%.

(3) (a) R35,02.

(b) R33,83.

(c) R35,03.

(d) R39,79.

(4) No. (a) and (b) The means test at present applicable is considered as realistic.

Hansard 14 col 1032 5/5/77.

298

Pensions for Coloureds

853. Mr. G. N. OLDFIELD asked the Minister of Coloured, Rehoboth and Nama Relations:

(1) How many Coloured persons were at the end of 1976 in receipt of (a) old age pension, (b) blind persons, pension, (c) disability pension and (d) war veterans' pension;

(2) how many of these pensioners were receiving the maximum amount payable in respect of each of these four types of pension;

(3) what was the average annual amount paid per pensioner during 1976 to persons in receipt of each of these four types of pension;

(4) whether the means test applicable to social pensions is to be amended this year; if so, (a) to what extent and (b) what is the nature of the proposed amendments; if not, why not.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

Welfare for Coloured persons in the Republic is a matter which has been delegated to the Executive of the Coloured Persons Representative Council. I have, however, ascertained that the reply to the question is as follows:

(1) (a) 78 154.

(b) 1 652.

(c) 40 019.

(d) 6 823.

(2)

old-age pension	75 028
blind persons' pension	1 575
disability pension	38 863
war veterans' pension	6 278

(3)

old-age pension	R410,75
blind persons' pension	R414,06
disability pension	R403,70
war veterans' pension	R465,30

(4) No, the means test as presently applied is regarded as realistic.

Hansard 15 col 1075 10/5/77

Private company administering homes for aged White persons

943. Mr. T. ARONSON asked the Minister of Social Welfare and Pensions:

What amount was paid by his Department to the private company administering homes for aged White persons during each of the financial years 1974-'75 to 1976-'77 in respect of such persons.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

1974-'75: R591 367.
1975-'76: R736 354.
1976-'77: R849 410.

2.

Hansard 16 @ cols 1113-1115 16/5/77 (298)

Re banking sector in S.A. consists of the Bank (a) "enchant Bank (2) (19) (1, p18) Savings Bank Plus bank "... ion ... m from can be broken down into Surplus units and to deficit units in the A Commercial Bank according to the Banks Act 1965 is a bank which "... a substantial part of (its) business consists of the acceptance of deposits of money withdrawable by cheque ..." Commercial Banks operate in the retail field in that they serve the ordinary individuals as well as companies and financial institutions A Merchant Bank as opposed to a Commercial Bank does not provide current accounts and payment transfer facilities. They are wholesale banks dealing mainly with large corporate clients and Financial Institutions.

The Banks Act defines a Merchant Bank as "... a person who carries on a business of which the

Registered pension funds

(915) Mr. G. N. OLDFIELD asked the Minister of Finance:

(1) (a) What is the present total number of registered pension funds and (b) how many persons are (i) contributory members and (ii) pensioners of such funds;

(2) how many pension funds were (a) registered and (b) terminated during 1975 and 1976, respectively.

The MINISTER OF FINANCE:

(1) (a) 10 133 (as at 31 December 1976).

(b) (i) The total membership of registered pension funds, including 102 799 pensioners, is 2 532 639. As no statistics are available in respect of pension funds to which only employers contribute, the number of contributory members of pension funds cannot be determined.

(ii) 102 799 (as at 31 December 1975). The number of pensioners as at 31 December 1976 will only be available towards the end of the year.

(2)

	1975	1976
(a)	1 027	986
(b)	356	355

TYPE OF FARM EMPLOYEE - REGULAR — RACE - COLOURED

EC REGION	1	2	3	4	5
EMPLOYMENT	1903	1859	4567	7131	26751
EC REGION	13	14	15	16	17
EMPLOYMENT	4373	1132	2173	2325	5396
EC REGION	25	26	27	28	29
EMPLOYMENT	15	36	33	45	12
EC REGION	37	38	39	40	41
EMPLOYMENT	38	4	25	106	77
EC REGION	47	50	51	52	53
EMPLOYMENT	41	23	8	41	125

TYPE OF FARM EMPLOYEE - REGULAR — RACE - WHITE

EC REGION	1	2	3	4	5					
EMPLOYMENT	1700	39	124	389	1530					
EC REGION	13	14	15	16	17					
EMPLOYMENT	198	26	41	122	182					
EC REGION	25	26	27	28	29					
EMPLOYMENT	173	189	324	496	186					
EC REGION	37	38	39	40	41					
EMPLOYMENT	68	67	104	171	177	305				
EC REGION	49	50	51	52	53	54				
EMPLOYMENT	284	56	21	143	220	68				

EMPLOYMENT AS AT 31ST AUGUST 1973

Hansard 17 Q cols 1198 - 1200 26/5/77

Pensions for Coloureds/Rehoboth Basters/ Namas

(1002.) Mr. W. T. WEBBER asked the Minister of Coloured, Rehoboth and Nama Relations:

(1) How many (a) Coloured, (b) Rehoboth Baster and (c) Nama persons in South West Africa were at the end of 1976 in receipt of (i) old age pensions, (ii) blind persons' pension, (iii) disability grants and (iv) war veterans' pension;

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(2) what is the maximum amount payable at present in respect of each of these pensions;

(3) what amount of (a) income per annum and (b) assets is conceded in terms of the means test for the maximum pension to be paid to an applicant.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

(1) (a) (i) 612.
(ii) 11.
(iii) 270.
(iv) 20.
(b) (i) 656.
(ii) 5.
(iii) 410.
(iv) 12.
(c) (i) 1 569.
(ii) 59.
(iii) 406.
(iv) 7.

(2) Old-age pensions, blind persons' pensions and disability pensions:
Coloureds and Rehoboth Basters: R38,50 per month; and Namas: R22,25 per month.

War veterans' pensions:
Coloureds and Rehoboth Basters: R43,50 per month; and Namas: R24,75 per month.

(3) (a) Coloureds and Rehoboth Basters: R252; and Namas: R126.

(b) Coloureds and Rehoboth Basters: R11 200; and Namas: R5 600.

Hansard 17 col 1197 26/5/77

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Pensions for Coloureds

978. Mr. G. N. OLDFIELD asked the Minister of Coloured, Rehoboth and Nama Relations:

(1) What will be the maximum basic (a) old age, (b) war veterans', (c) blind persons' and (d) disability pensions payable to Coloured persons from 1 October 1977;

(2) what amount of other income is permitted in terms of the means test for Coloured persons to qualify for (a) a maximum and (b) a minimum basic social pension.

The MINISTER OF COLOURED, REHOBOTH AND NAMA RELATIONS:

Welfare for Coloured persons in the Republic is a matter which has been delegated to the Executive of the Coloured Persons Representative Council. I have, however, ascertained that the reply to the question is as follows:

(1) (a) R42,50 per month.

(b) R47,50 per month.

(c) R42,50 per month.

(d) R42,50 per month.

(2) (a) R21,00 per month.

(b) R41,00 per month.

Pension fund proposals cause disruption

RDM 27/5/77

By CHRIS CAIRNCROSS

THE controversial recommendations by the Department of Social Welfare for establishing a universal contributory pension scheme for South Africa are disrupting the orderly development of existing pension funds, says the Association of Chambers of Commerce.

In a report on a study of the pension proposals, Assocom warns that the consequences of this disruption are not only prejudicial to the interests of pensioners and other beneficiaries, but are disturbing many parts of the economic system.

Assocom says it is important that steps be taken without delay to prevent this disruption.

It recommends that the Cabinet issue a statement giving reassurance that the Government has the "firm intention that any reforms and revisions which are introduced will be of such a character, and will be introduced in such a manner, that they will not disrupt or undermine the operations of properly administered pension funds, insurance funds, retirement annuity funds and similar trust funds which have been constituted in terms of existing law, or which may be in the process of formation."

Assocom says that while it accepts there is a strong case for providing universal pension coverage in South Africa, the Department of Social Welfare's recommendations have many failings.

As a result they should not be accepted as they stand, but should be sent back to the drawing board.

Among the conclusions arrived at by Assocom are:

• It considers that the general basis of the arrangements suggested represent a reasonable way of making provision for pensions, but believes that alternative approaches have other advantages.

• The proposals do not make clear provision to deal with the important problem of the impact of inflation on the buying power of pensions.

• It accepts that a centrally administered scheme would be a useful component in the arrangement for universal occupational pensions.

• It rejects the proposition that a central scheme need be a major element in such arrangements.

• It doubts the viability of the scheme on the terms suggested.

• It fears that an inappropriate basis will lead to serious disruption in the economy, and will not be sustainable.

• It suggests that the proposed basis be reconsidered and particular attention be given to the proposed detailed arrangements for the central scheme.

SOUTHERN AFR[illegible]

TELEPHONE 69-8531 (Ext. 453 440)

ESEARCH UNIT

RESEARCH DIVISION,
HOOL OF ECONOMICS,
BEATTIE BUILDING,
SITY OF CAPE TOWN,
RONDEBOSCH.
7700.

298

June 1977.

Dear Colleague

RESEARCH WORKS

A copy of the [illegible] at you will find it useful

N.B. ! We would be gr[illegible]
cost of produc[illegible]

Thank you very

Yours sincere[illegible]

FRANCIS WILS[illegible]

FIN MAIL 1/7/77

STATE PENSIONS
Assocom's objections

The Association of Chambers of Commerce (Assocom) has added its voice to the chorus of doubts about the mooted state administered contributory pension scheme.

It accepts the need for universal pension coverage, and considers the general basis of the scheme a "reasonable way of making such provision". But it has a number of reservations, one of which merits particular mention.

With lower contribution rates, the proposed scheme offers substantially higher benefits than existing pension funds. Assocom says that this suggests either that existing schemes are over-funded, or that the new fund may run into trouble.

Apparently feeling that the architects of the scheme are making incorrect assumptions regarding the increasing salaries of members, and the investment rate of return, Assocom has done some arithmetic to illustrate the need for more conservative funding assumptions (see table).

ASSOCOM'S SUMS

Interest rate	15%	13%	11%
	R	R	R
Final salary	364 452	364 452	364 452
Pension	273 339	273 339	273 339
Capital value of pension	1 598 317	1 766 423	1 965 549
Actual accumulation	3 261 153	2 003 760	1 282 391
Surplus (+) or Deficit (—)	+ 1 662 836	+ 237 337	— 683 158
% Surplus (+) or Deficit (—)	+ 104	+ 13	— 35

Initial income R5 000. Final income (after 45 working years) R364 452. Contribution 7% of salary for 75% pension. 15 retirement years. Salary grows at 10% per annum.

It says that while a rate of return 3% above the rate of increase in salaries would be sufficient to keep the fund in small surplus, a narrowing of the gap by two percentage points would result in a serious deficit. Moreover, "in a world of change and uncertainty neither the future interest rate nor the rate of increase in wages and salaries can be predicted with certainty."

his cycling.

Mercury 8/7/77

PENSIONERS RIDE FREE

(298)

Mercury Reporter

LADYSMITH — Old-age pensioners are to ride free of charge on Ladysmith municipal buses in future following a decision by the Ladysmith Town Council.

The pensioners must be residents of Ladysmith.

Mr. Dewaldus Pretorius, the clerk of the council, said yesterday that pensioners must apply to the traffic department and produce two passport-size photographs.

THE PLIGHT OF C

MRS B. SAYERS of Observatory says her flat is dark and cold. But there is very little she can do about it, because she is only just able to feed herself on her Government pension.

MR W. E. JONES, a pensioner living in Woodstock shares one outside room with his wife for which they pay R21. However, he accepts the hardships, saying there are many people worse off than him.

MRS M. NTOYI of Langa was one of the few black pensioners who would allow her photograph to be taken. Many fear that publicity will lead to victimisation. Mrs Ntoyi, like most other black pensioners, is hungry before the end of the month. She worked for 25 years as a nurse-aide. Now she struggles to live from day to day.

High rentals, food costs are burdens

By PHILIPPA GREEN

FOR many Cape Town old age pensioners, the winter is a long, cold and hungry one.

A Government pension is their only means of subsistence and with the highest pension at R72 a month, their chances of decent living are small indeed.

The maximum pension for whites is R72 a month, for coloured people R38,50 and for Africans R18.50.

Though the 1977/1978 Budget provides for higher pensions for all races in October, the increases are still small, specially in the face of the rising cost of living.

The rises will be R7 for whites, R4 for coloured people and R2 for Africans. This is about a 10 percent increase. But the rate of inflation this year has been about 11 percent.

So the increases cannot be expected to improve the standard of living for Cape Town's aged.

Bread cost

I spoke to a number of old age pensioners of all races living solely on a Government pension to find out how these people managed to live in times when bread costs as much as 20c a loaf

Most pensioners said they managed simply because they had to. They made ends meet by saving and sparing on every possible food item. Entertainment, non-essential transport or new clothes did not come into their reckoning.

An Athlone pensioner said: 'When you struggle every month just to pay your rent, lights and water and then you have to find enough left over to eat afterwards, you can't think of new clothes.'

The major complaint of some white pensioners living in the Observatory-Woodstock area was about rents. Some of them pay up to R35 a month for a single room.

Mrs H. Thompson of Observatory has a pension of R72 a month. Out of this she pays R35 a month for a single room with no furniture.

'Originally it was advertised as a furnished room. But although I brought my own furniture with me I still pay R35 a month,' she said.

Because the winter nights are so cold, Mrs Thompson bought a heater, which she is now paying off — an additional expense she has to include in her already tight budget.

She receives two meals a week from Meals on Wheels (WO 531) 'otherwise I couldn't possibly manage.'

Apart from an occasional meal to which she is invited, her main meal usually consists of stew made out of cheap meat bones and boiled eggs.

Mrs B Sayers, who lives on a State pension, also complained about her rent. She lives with her daughter, who receives a disability grant, in a one-bedroomed flat. Her rent is R28 a month. The flat is dark and cold and the sunlight is blocked out by a house next door.

How does Mrs Sayers manage after she has paid her rent and electricity?

She says she seldom uses her stove, partly because she cannot afford the electricity and she cannot afford a hot meal every night.

New clothes and entertainment are an unheard-

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CITY PENSIONERS

MR AND MRS W. E. JONES sit in the Woodstock room which has been their home for the past seven years. Both are old-age pensioners, although Mr Jones also receives a small disability grant. Both say the room is wet and unhealthy. It has no windows, no electricity and the roof often leaks.

of luxury.

'By the time I finish paying for food, rent and electricity, there is nothing left over,' she said.

Appalling

Some of the most appalling living conditions among white pensioners are in Woodstock.

Two old age pensioners, paying R21 a month for an outside room, said their furniture was being ruined by a constant trickle of rain-water through the roof.

Mr and Mrs. W. E. Jones have lived in this tiny room for seven years. In this time they have had to put up with a leaking roof, ruined furniture and no electricity.

The room is just large enough to accommodate a double bed, a table and wardrobe. With no windows and no electric lamps, the Joneses are forced to leave the door open most of the day.

Mr Jones, who used to work in the harbour, said that this made the room 'wet and unhealthy.'

'We are always cold, but what is the use of complaining,' he said. 'We only just manage to keep our heads above water, but then many people are worse off than us. I just have to take the good with the bad. However, I have often wanted to write to the Mayor and appeal to him about the living conditions of pensioners all over Cape Town.'

For Coloured and African people the position is even worse. The maximum pension for coloured people is R38,50 a month and for Africans R37 every second month.

Though the increase in October will amount effectively to about a 10 percent improvement for coloured people and Africans, the pension ratio between whites, coloured people and Africans will be white 100, coloured people 53,9 and Africans: 25,9.

Means test

The means test for coloured and African pensioners is far more severe than the test for whites.

For example, if you are coloured and your private income is R41 a month or more you are not eligible for a Government pension. In the case of whites, the maximum private income allowed to make one eligible for a Government pension is R82 a month.

For Africans the qualifications are even more stringent — almost any private income can decrease an already low pension.

For example, if a pensioner's spouse is earning the equivalent of a Government pension, the R18,50 a month will be scaled down. If the children of pensioners live with their parents and pay board and lodging, the Government pension payable will be considerably smaller. Often it will be nothing.

I spoke to a number of old age pensioners in Athlone and Langa.

Electricity

Mrs C. Mathews of Kewtown, Athlone, pays R16,75 a month rent. She has been waiting two years for a transfer to a smaller cottage which she says will be cheaper. Meanwhile with her water and electricity costs coming to just under R17, she has to feed herself on about R5 a month.

Mrs Mathews says she struggles to make ends meet.

'I never eat breakfast. I eat bread for lunch with a cup of tea. Meat is now so expensive that 50 cents worth of mince is only half as big as my hand.

'Often I can't afford cooked meals at all, but sometimes my children invite me out. With their help I manage to make ends meet.'

Many of the Athlone pensioners said that while they were struggling to survive on R38,50 a month and paying rent out of proportion to their incomes, they were not allowed to take in subtenants without the City Council's permission.

African old age pensioners are in the worst position.

Out of R37 every second month, R22 — as a rule — goes on rent.

A married woman in Langa, who did not want to be identified, said that she found it impossible to manage on her pension alone.

'When the money and the food run out I collect newspapers from the township streets. I sell them to factories so that we can get enough to eat.'

Soup bones

Mr L. Malabola is expecting to draw his next pension payment at the end of July. His last payment was in May. Meanwhile, he says, he is starving. The mielie-pap and the soup bones have run out. He and his wife make a loaf of bread last four days. Though his wife gets a pension, they have five children at school.

'The year goes past without the books or the uniforms that the children need,' he said. 'We try to buy as little food as possible; we drink our tea black and we never buy meat.'

Many of the pensioners interviewed expressed grave misgivings about the means test.

The household subsistence level (HSL) as calculated by Professor J. F. Potgieter of the University of Port Elizabeth earlier this year, is about R135 a month for a black family of six.

Natal Mercury 15/7/77

Call for a lottery to aid old age pensioners

(298)

SIR, — What do our senior citizens value most? Their independence. A little home of their own, enough food to nourish them properly, and the means to buy a few new clothes occasionally.

This is their right in our country which they have helped build up, by their contribution not only of their work, but their children and grandchildren, to carry on where they have left off.

But how do we see them living? Semi-starving, clothed in hand-outs, in miserable cold rooms, barely existing on the old age pension when they should be living in comfort. More than half a million of them, in this country which owes them so much.

I am not writing of the pensioners who already have small incomes of their own, to whom the old age pension is added, but those who have nothing else.

Ask the good ladies of TAFTA's "Meals on Wheels" what they see. Ask Mr. K. Ueckerman of George, who has been fighting a lone battle for an increase in these pensions for many years, of the over 250 000 despairing letters he has received from pensioners of all races.

This is a disgrace to our country. As our Government apparently cannot afford to raise the old age pensions to a realistic level, there is only one way in which these most valued senior citizens can be helped, and that is by a State lottery on their behalf.

Popular support

Although in 1975 an opinion survey showed 70 per cent of the people in favour of a State lottery, our appeal on behalf of our senior citizens has been rejected by our Government.

I am now appealing to the clergy of all denominations throughout the country, as well as prayer groups of all races, to hold special prayer meetings on behalf of the pensioners, with petition lists to be filled in afterwards, headed after this fashion:

"We, the undersigned, have this night (or day) prayed for the pensioners, that a State lottery be instituted on their behalf." I will be grateful if these lists, filled with the names and addresses of those who have attended, be sent to me at the above address. These "forgotten people" need our help desperately, and I know from experience that more things are wrought by prayer than by any other means. *Is it nothing to you,*

Savings gone

What of those who live in cities where TAFTA's services are not available?

What of those who have put their life-savings into small homes in which they hoped to retire, and have now been forced to sell their homes because in these days of ever-escalating costs of bare necessities they can no longer afford to live in them, and have to go into old-age homes where, however good these may be, they lose their most prized possession — their independance?

Free rides

N. Mercury 15/7/77 (298)

PIETERMARITZBURG — Senior citizens of all races, aged 70 years or older who live in the capital, will soon be able to travel free of charge on the city's buses. The scheme will apply to all regardless of race, who live in the borough. There will be no restrictions on the time of travel which means pensioners will be able to make use of the concession during peak periods. — (Mercury Reporters, Sapa-Reuter-AP.)

NATALIA RESIST ALL "DI

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Strict control of pensions is essential

Sunday Times (Your Money) 17/7/77

PENSION benefits have undergone steady changes over the past 20 years. In the early sixties, the pension arising from each year's service was directly related to the salary earned in that year.

This system was satisfactory provided:

- There was no inflation.
- The member did not have a steep rise in salary in his working career.

This realisation that income did rise steadily led to this benefit structure being discarded. There followed a general movement towards "final salary" pensions. Under a final salary plan, the pension benefit is directly related to the salary at, or close to, retirement.

Generally, the average salary earned over the five years preceeding retirement was determined. A fixed proportion of this average, usually a 60th for each year of service, was provided as pension.

Over the past few years, still further significant changes have teken place in benefits.

Firstly, the period of averaging has been reduced from five years to three years.

In addition, the pension proportion is now a 50th of the final average salary for each year of service.

The accompanying table gives an indication of the significance of these changes.

This change in the formula — combined with the shorter period of averaging — means that pensions are now about 30 per cent higher than they would have been only a few years ago.

Another benefit that has become much more widespread is the inclusion of a

By Marius van den Heever, assistant general manager (pension) of Old Mutual.

widow's pension of half that of the member's on his death after retirement.

This change has the effect of increasing the value of the retirement benefit by about 20 per cent.

Over the past four or five years, the value of pension benefits have actually been increased by about 50 per cent — a considerable amount when it is borne in mind that the value of retirement benefits was already significant before the changes.

These changes involve a considerable amount of money. For instance, the capital value of a pension of R10 000 a year, payable to a married man retiring at age 65, is more than R100 000. The capital cost of 10 such people retiring together would be over R1-million.

Pension benefits have, accordingly, become a significant part of the employer's operating expenses. These run at anything between 10 per cent and 20 per cent of the salary bill. This is apart from the fact that the employees are also contributing some 6 per cent of their salaries.

Final salary plans are extremely susceptible to inflation. This is becuuse when there is an increase in salary due to an inflation adjustment, there is a corresponding increase in pension liability.

For instance, a 20 per cent increase in the salary bill will lead to a 20 per cent increase in the liability for pensions. This is not so serious with regard to contributions still to be made in the future. These are also directly related to the salary bill and thus will also be increased by 20 per cent.

However, there is an immediate capital shortfall in respect of the past. In other words, 20 per cent of the benefits which will now accrue has not been provided for. A fund of R1-million will now be R200 000 short.

It is essential that the employer and the actuary study the impact of these adjustments as soon as possible after they occur. It is absolutely essential that the employer takes immediate steps to rectify the shortfall, otherwise a further inflationary adjustment would place the fund in an irretrievable position — without the employer even being aware of it in the short run.

The ideal position is for the employer to study, and budget for, the shortfall at the same time as deciding upon a salary adjustment. This places the employer in the position to assess the full impact of the salary review on his business — when he is making the decision.

Because pensions benefits are increasing to an extremely high level, it is absolutely essential that employers maintain strict discipline in this regard.

Once the financial position of a pension fund has been allowed to get out of hand, the situation can be disastrous. If there is not enough money to pay for the benefits, these may have to be reduced, or the fund discontinued altogether.

When consideration is given to the fact that the benefits arising from pension fund membership have become the most valuable asset of the average middle-

• To Page 6

Years of service	Proportion of 1/60th formula	Final average salary 1/50th formula
40	66,66 per cent	80 per cent
30	50 per cent	60 per cent
20	33,33 per cent	40 per cent

...cant shortfalls took place and these had to be rectified.

...considerable way towards ensuring that an employee could look

...of staff reductions also lose their pension fund memberships.

Sunday Times (Your Money) 17/7/77

Two more homes for the elderly

Sun. Trib. 17/7/77

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Tribune Reporter

TWO MORE cottages were officially handed over to the Doone Village project for the elderly at Pinetown in a ceremony yesterday morning.

Th keys were presented to the chairman of the Doone Village Committee, Mr Peter Porter, by Mr George Christian, District Grand Master of the Natal Scottish Freemasons.

The cottages were built by means of money left to the Masonic order by Mr Eric Russell.

Mr Stanley Raaff, a member of the board of trustees, said the village was the home of Cissy and Aaron Beare, founder of the Beare Group of companies.

They had given their house and land for the project when they moved to Durban.

The development of the village was undertaken by the Pinetown Rotary Club. There is enough land to accommodate 200 people. At present, 52 people live there.

D.D. 18/7/77

Working pensioners deserve better deal

298

EAST LONDON — A Mr J. Quin, of Johannesburg, has been reading some of my articles and has written to say how much he has enjoyed them. He then goes on to offer a further topic for one which, he hopes, will result in a change of attitudes by employers.

Unfortunately Mr Quin has chosen the wrong economic time to make his plea, but it still bears going into for when better times are with us (we hope).

He refers to the attitude of business and professional men towards pensioners who are seeking work (not because they wish to, but because they need to).

In many instances, says Mr Quin, they are shabbily treated by being given very junior work with even more junior pay — often less than that paid to office cleaners.

It is possible, of course, that some such employers are "carrying" a pensioner merely out of the goodness of their hearts, and that they, in fact, have no vacancy to fill.

But there are few such employers, and the bulk are aiming to obtain the best labour possible at the lowest rate of pay they can. Because a pensioner needs the extra income, however small it may be, because of escalating costs of living, such an employer is usually satisfied.

But can he be satisfied with his conscience? For many years I have pleaded for everyone to be properly trained and then to be paid the rate for the job. This applies whether the prospective employee is white, Coloured, Asiatic or black — or even a pensioner!

If there is to be a differential pay scale for the various race groups, and for employees of differing ages, it will not be long before the economy is in an even greater mess than at present.

There was a time, not so many years ago, when a man had to be a "grey beard" before he could qualify as a manager or higher. The fact that today there are not only managers, but managing directors and even chairmen barely old enough to even shave, does not mean that this trend must be reversed completely, and that senior citizens are valueless in business and the professions.

And with retirement age being advanced all the time, there are many valuable and highly qualified men (and women) on the labour market who would do a job much better than many half their age.

And if they do the job they should be paid accordingly, not a mere pittance in order to "make up" their pensions.

How is YOUR conscience?

— BUSINESS EDITOR

Council can't help as ageds' rent goes up

EDM 27/7/77 (298)

By CHRIS FREIMOND

RENTALS of sub-economic flats for pensioners in Germiston have been nearly doubled, and the City Council cannot do a thing about it.

When the rises were announced an opposition councillor, Mr Dries Klopper, said it would be almost impossible for tenants to pay the increases.

Rents for tenants of Kruinhof Flats have been increased from R12 and R14 a month to R22,10 and R24,12 respectively.

Mr Herman Immelman, chairman of the management committee, said the matter was out of the council's hands.

It was a Department of Community Development decision to increase rentals. The council acted merely as an agent.

He said, however, an application had been made to the Department for a rebate for residents at Kruinhof Flats.

Councillor Klopper was again to the fore when he objected to the purchase of a new gold chain for the deputy mayor.

The council was told the old chain, which had been in use for 20 years, was badly worn and links kept breaking.

The new 93 cm 9 ct chain would cost R975, less 25%.

Mr Klopper said Germiston was trying to cut down on spending, and a ribbon with a medallion would be as fitting at official functions as a chain.

Mr Immelman said the new chain would last about 30 years and would be an investment.

The sum of R731 was voted for the purchase of the chain.

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(298)

Recipe for old age: Rough it

JOHANNESBURG — "A pretty rough life" is the recipe for old age, says Mr. Alfred Singel — at 109 reputed to be the oldest White South African.

Known as "Oupa George," he has moved into the Vereeniging old-age home Eventide for medical care. But "Oupa George" still smokes 30 cigarettes a day.

"I'd like a bit of fire-water but can't afford it," he says.

He fought with the Boers in the South African War in a commando alongside Dutch, Irish and English and says: "We blew up trains, railway lines and had a lot of fun." — (Sapa.)

5/8/77 (298)

Aged can apply for fare cut

Mercury Reporter

PIETERMARITZBURG PENSIONERS and other senior citizens here have been advised to apply for bus concession fares pending the decision of the Road Transportation Board.

It is hoped that concessions for people over 70 years of age, old-age and war veteran pensioners and those in receipt of a disability pension, will be introduced early in September. The concessions will apply to all races.

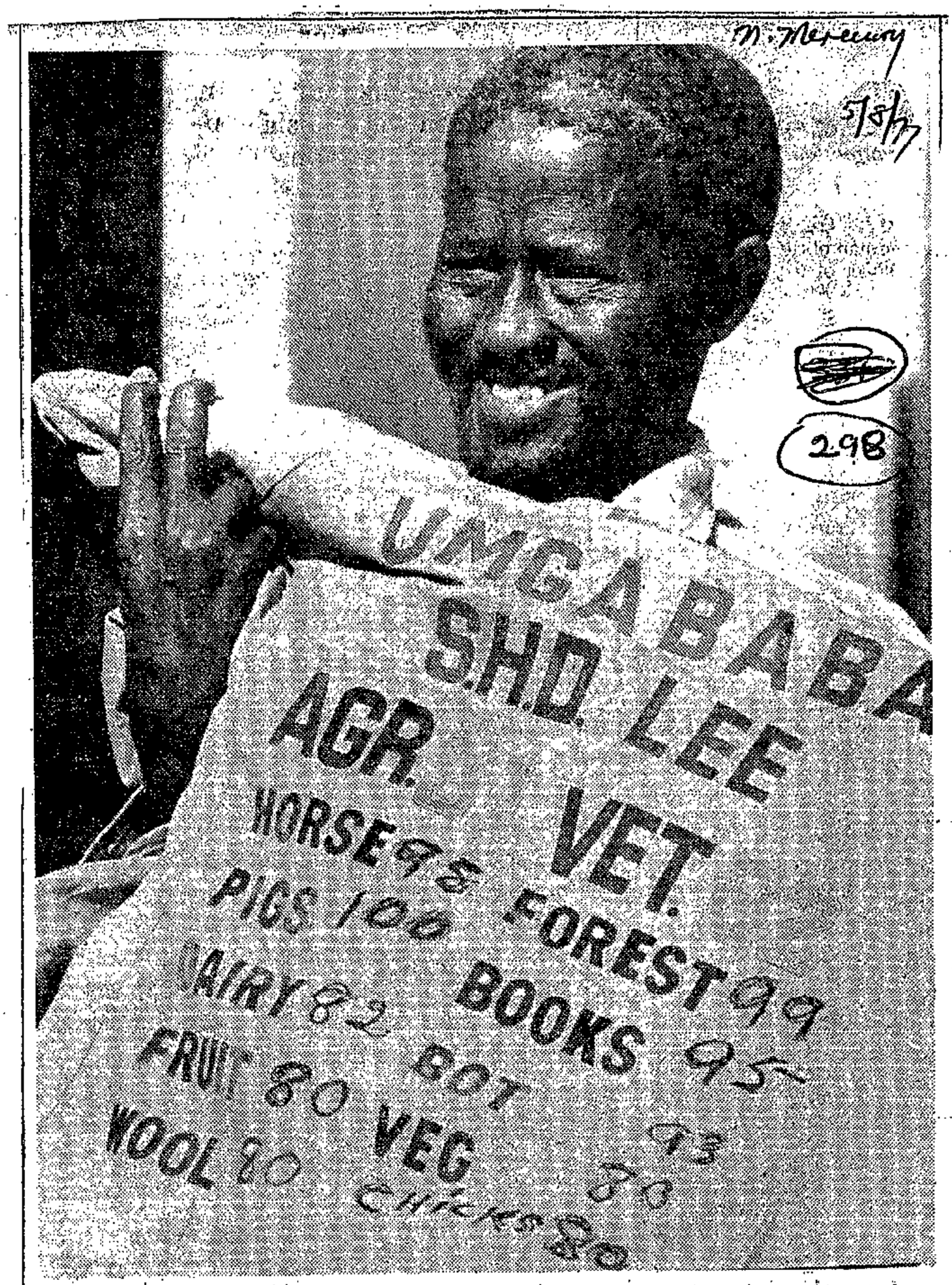
In order to minimise delays once the approval is obtained, the transport department has released details of how to apply for a concession pass.

Forms, obtainable from the inspector's office in Churchill Square, must be completed and returned with two book-of-life-size photographs and a Government pension book or a birth certificate to confirm that the applicant is eligible.

The forms will be available from August 15 and the passes will be introduced as soon as the Road Transportation Board has granted authority.

The Director of Transport, Mr. D. D. Schumann, said yesterday the pass could be used at all times.

However, he asked pass holders to refrain, as far as possible, from travelling during the peak hours — before 8.30 a.m. and between 4.00 and 5.30 p.m.



UMLAZI old-age pensioner Mr. Sydney Somze Mnyandu is a man with a big heart but a small purse, for although he graduated from the Tsolo Agricultural College 47 years ago he has had few opportunities tc help train other Africans to farm. Now, with a pension of R63 a month, he wants to find someone who will help him make educational films to teach his people the latest farming methods. Mr Mnyandu proudly holds up his coat on which he has written the marks gained for his honours pass many years ago.

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Pensions rise unlikely

STAR 18/8/77

A move towards increasing company pensions in line with the cost of living is highly unlikely because pension funds would risk bankruptcy in times of high inflation.

This was said today by a spokesman for one of the biggest life offices in South Africa and manager of pension and investments.

He was commenting on a resolution proposed by 145 shareholders of the Standard Bank that the bank's pensioners be compensated in full for rises in the Consumer Price Index.

The proposal, which is opposed by directors, comes before the annual meeting tomorrow. It is seen as a test case.

The insurance spokesman said most pension funds would soon be eating into their capital if they matched CPI increases in times of double-digit inflation.

Council cannot help pensioners

(298) STAR 25/8/77

Johannesburg City Council is powerless to help impoverished pensioners and desperate landlords with unlet buildings, Johannesburg's City Treasurer, Mr A J de Villiers, said today.

He was reacting to a warning by Mr Alastair Barclay, a property expert, that owners of buildings with large amounts of unlet space, might "walk away" from their properties to cut their losses.

This could lead to derelict buildings in the city centre, he warned.

Mr de Villiers said the Transvaal Rating Ordinance allowed the council to grant only two forms of relief from rates.

It can grant rate remissions to all properties in certain areas — the council is already granting this in most suburbs.

The council can also grant a rebate to all properties with certain land uses — it already gives a rebate of 25 percent to householders and 18 percent to flats.

Mr de Villiers said the Ordinance did not allow councils to grant relief to specific properties.

The lack of such a provision has also hit pensioners. Several councils, including Johannesburg, are keen to grant them relief from rates. But they have been unable to do so.

Only if the Rating Ordinance is changed, will the council have these powers.

Mr de Villiers warned that if struggling landlords were given relief from rates, the rate burden would fall more heavily on other property owners.

STAR 27/8/77

City boosts pension benefits for all

David Breier
Municipal Reporter

Johannesburg City Council last night revolutionised its pension schemes, introducing equal benefits for all races including a 13 percent increase in black, coloured and Indian municipal pensions.

In a rare show of solidarity in the politically divided council, the Progressive Reform Party opposition praised Mr J F Oberholzer, MPC, and his management committee for the move.

At the same time, pension benefits for whites were improved, and these improvements were also passed on to the other races.

This move compensates municipal employees for the council's decision this year not to grant general pay increases.

HOUSING LOANS

Black, coloured and Indian council employees will also become eligible for subsidised council housing loans at four percent less than bond rates. Up to now, only white council workers qualified for such loans.

A loan scheme still has to be submitted for council approval.

Black, coloured and Indian employees now actually have a slight advantage over their white counterparts, as their contributions to the pension fund are 0,5 percent lower than those for whites.

● Council warned over Plaza — Page 13.

World War II disabled seek pension parity

(298) (297)

CAPE TIMES 29/8/77

Defence Reporter

PARITY — not charity. This is the rallying cry of a number of Capetonians who were severely disabled in World War II and who are embittered by recent pensions legislation which discriminates heavily against them in favour of soldiers wounded and disabled since mid-1975.

So great is the gap that a World War II veteran might well find himself drawing a basic pension which is less than one-third of that paid to a serviceman who suffered the same degree of disablement in, say, the Angolan campaign.

In some cases, particularly among black veterans, the gap is even greater.

Protests by various opposition members of Parliament since the discriminatory legislation was tabled and passed last year have not achieved any results. Neither has a lengthy interview between a group of local pensioners and the Deputy Minister for Social Welfare and Pensions, Mr Punt Janson.

Mr Janson stated the government view on May 10 this year, the last time the pensions disparity was raised in Parliament, when he told Dr Alex Boraine, PRP MP for Pinelands: "The necessary funds are not available."

Same answer

The South African Legion, an umbrella body which speaks on behalf of all military pensioners, received the same answer when it approached the government about the "generation gap", which affects more than 19 000 white, African and coloured ex-servicemen, almost all of whom were disabled while serving in the two world wars and Korea.

In the last budget, R9m was asked for pensions, widows' benefits and dependants' allowances resulting from World War II; R600 000 for World War I; and R8 000 for Korea.

Angry World War II disabled pensioners pointed out to me this week that the total amount payable to war-disabled pensioners is less than 3 percent of the total of R324m paid out by the Department of Social Welfare and Pensions.

A spokesman for the South African Legion explained this week that the degrees of disablement were carefully specified in the various laws governing pensions. Servicemen who suffered less than 20 percent permanent disablement were paid cash gratuities.

Minimum

For greater degrees of permanent disablement, certain minimum pensions were specified in the various laws, together with a number of allowances and grants which could be paid in addition to the minimum pensions.

Pre-1975 disability pensioners, he said received their benefits in terms of several pieces of legislation: The Special War Pensions Act of 1962, the War Pensions Act of 1967, and Section 15(i) of the Pension Laws Amendment Act of 1968.

Beneficiaries under these acts, he said, used to receive pensions laid down in 1954 and an additional 70 percent. Now, however, in terms of Act 84 of 1976 all allowances have been consolidated and any future increases which may be granted will be calculated on the basis of these consolidated pensions.

Pensioners who had been disabled since July 1, 1975 were catered for by Act 84 of 1976, which provided for greatly increased pensions.

Treatment

All pensioners, whatever their vintage, were entitled to free hospital treatment and medication, as well as free appliances like artificial limbs, corsets and, in some cases, shoes.

The legion was satisfied with neither the pensions disparity nor the size of the gratuities, he added, but till now negotiations with the government had not been successful. However, the legion's pensions committee was still pursuing the matter.

"Why the hell should we be treated like this?" I was asked this week by a spokesman for the group which interviewed Mr Janson — a Rondebosch man who lost his left leg, right foot, and the hearing in his right ear when his tank was blown up by a German mine in Italy in 1944.

"It's not as if we have anything at all against the post-1975 pensioners," he emphasized. "On the contrary, we told Mr Janson that we welcomed the increase in their pensions and added that it was about time someone did something about it.

Left out

"But we don't see why we older pensioners should be left out. What we want is parity, not charity."

The spokesman, who asked to be identified only as "Mr A" because "I'm not looking for charity", said that he and others had spent "a considerable time" with Mr Janson, "but we didn't seem to be getting through to him. Yet it's a matter of pressing concern to me and thousands like me.

"I'm not getting any younger — I'm 54 now, and many of the people in the same boat as myself are older. At the moment I'm fit, but what happens later?

"So you have any idea of what living with my degree of disablement entails? I don't want your sympathy, I just want you to know. Have you ever thought of how a man without legs has to tackle the simple job of taking a bath in the morning?

"First of all you have to crawl to the bathroom. I have a friend who is even worse off than I am — he lost both legs. Do you know how he gets to the bathroom? He's got one of those wheeled platform things that mechanics use in garages when they want to slide in under a car. That's how he gets to the bathroom.

Retrenched

"Then, after he's got there, he has to lift himself in mainly with his arms. It takes strength and co-ordination.

"The thing is that he's 61 now. One of these days he won't be able to swing himself off the floor into his bath any more. The same applies to me. Of course, you might say that when I'm too feeble my wife could help me, but she's not getting any younger either. By rights I should have a specially-built bathroom — but I can't afford it and the government does not supply it."

In spite of his handicap — which cost him a year in hospital and another year as an outpatient before he could walk again — Mr A has had a long and useful career in local industry, raising and educating three sons.

Now he has been retrenched, like thousands of other victims of the economic climate. He worries that finding another job might be difficult because jobs are scarce and he has both his age and his handicap against him.

Free shoes

Classified as 100 percent disabled, Mr A qualifies for a disability pension which, with all allowances, amounts to R234 a month. He is also entitled to free medical treatment and a free pair of shoes every nine months — users of artificial limbs experience great wear and tear on their shoes.

As a married white man who is 100 percent disabled, Mr A is entitled to a minimum monthly pension of R114,22 and various allowances.

If he had received the same wounds after July 1, 1975, however, Mr A would be eligible for a minimum monthly pension of R350 as well as the various allowances.

If Mr A was a coloured man the "generation gap" would be even greater; he would receive a minimum monthly pension of R57,12 before allowances — compared with R233 under the new dispensation. If he was an African he would receive a minimum of just R28 a month, compared with R175.

Survey

Mr A cannot see why two equally disabled men should receive different pensions simply because they were wounded in wars 30 years apart.

"If we were civil accident claimants," he says, "the minimum interest on the money awarded by any court for these injuries and disabilities would be at least 3½ times what we receive.

"My 21-year-old daughter-in-law receives R60 a month more salary than I get from my disability pension.

"A little survey I did on my own shows that practically all major disability pensioners' wives are working because they can't come out on the pensions."

Mr A points to recent increases in British war pensions and stresses the fact that disabled British pensioners can be supplied with a free automatic-gear car which is maintained by the state.

Some victory

"Most English-speaking or civilized countries maintain similar World War II disability pensions, including our defeated enemy, Germany. Some victory over tyranny!"

Mr A feels particularly strongly about the question of transport for disabled ex-servicemen. Because of his disability it is difficult for him to use public transport as he cannot walk long distances. This, he says, has brought great parking difficulties.

"In order to be able to function in my work I have paid out well over R1 000 in parking fines . . . we don't even get a disc from the City Council to show we're disabled and might have to park overtime because our cars are essential to us."

Soldiers 30 years and R91 apart

A CAPETONIAN who prefers to be known as "Mr B" joined a Cape Town infantry regiment in 1939, aged 22. He served in the Western Desert and then went on to Italy with the Sixth Division. While in Italy he lost his left leg and suffered multiple wounds when he stepped on a German mine (he does not like to talk about it, but he showed such gallantry that day that he was subsequently decorated with the Military Medal).

He spent a year in hospital, underwent 12 operations, and was then discharged with a 60 percent disability rating. Today he receives a pension which, with all allowances, totals R83,54 a month, and wears a corset which is supplied by the government. The reason for the corset is a hernia caused, so his doctor told him, by the extra daily physical exertion caused by his disability.

Mr B's resentment is compounded by a peculiarly unsettling encounter he had recently while shopping in a local supermarket. While thus engaged he met a young man in his early 20s who also had an artificial leg. As old soldiers will, they swopped stories. The young man told Mr B that he had lost his leg in Angola, had been classified as 50 percent disabled — a lower category than Mr B's — and was receiving a pension of R175 a month.

"He couldn't believe he was getting more than I was," Mr B recalls. "He thought I was putting him on."

DEPARTEMENT VAN BANTOE-ADMINISTRASIE EN -ONTWIKKELING

No. R. 1707

2 September 1977

REGULASIES OPGESTEL KRAGTENS DIE WET OP MAATSKAPLIKE PENSIOENE, 1973, MET BETREKKING TOT BANTOES IN DIE REPUBLIEK EN NATURELLE IN SUIDWES-AFRIKA.—WYSIGING VAN GOEWERMENTSKENNISGEWING R. 1034 VAN 1974

Ek, Andries Petrus Treurnicht, Adjunk-Minister van Bantoe-administrasie en van Bantoe-onderwys, handelende namens die Minister van Bantoe-administrasie en -ontwikkeling kragtens die bevoegdheid hom verleen by artikel 17 (1) van die Wet op Maatskaplike Pensioene, 1973 (Wet 37 van 1973), gelees met Proklamasie R. 219 van 1973, wysig hierby, met ingang van 1 Oktober 1977, die regulasies vervat in die Bylae van Goewermentskennisgewing R. 1034, gedateer 21 Junie 1974, ooreenkomstig bygaande Bylae.

A. P. TREURNICHT, Adjunk-minister van Bantoe-administrasie en van Bantoe-onderwys.

(Lêer M84/1)

BYLAE

1. Vervang "R128" in Regulasie 12 (c) en (d) met "R246".

2. Vervang Aanhangsel 1 deur die volgende:

DEPARTMENT OF BANTU ADMINISTRATION AND DEVELOPMENT

No. R. 1707

298

2 September 1977

REGULATIONS FRAMED UNDER THE SOCIAL PENSIONS ACT, 1973, IN RESPECT OF BANTU IN THE REPUBLIC AND NATIVES IN SOUTH-WEST AFRICA. — AMENDMENT OF GOVERNMENT NOTICE R. 1034 OF 1974

I, Andries Petrus Treurnicht, Deputy Minister of Bantu Administration and of Bantu Education, acting on behalf of the Minister of Bantu Administration and Development by virtue of the powers vested in him by section 17 (1) of the Social Pensions Act, 1973 (Act 37 of 1973), read with Proclamation R. 219 of 1973, hereby amend, with effect from 1 October 1977, the regulations contained in the Schedule to Government Notice R. 1034, dated 21 June 1974, in accordance with the accompanying Schedule.

A. P. TREURNICHT, Deputy Minister of Bantu Administration and of Bantu Education.

(Filé M84/1)

SCHEDULE

1. Substitute "R128" in Regulation 12 (c) and (d) with "R246".

2. Substitute the following for Annexure 1:

AANHANGSEL I/ANNEXURE 1

TABEL WAARVOLGENS MAATSKAPLIKE PENSIOENE MET INGANG VAN 1 OKTOBER 1977 TOEGEKEN MOET WORD
TABLE ACCORDING TO WHICH SOCIAL PENSIONS ARE TO BE GRANTED WITH EFFECT FROM 1 OCTOBER 1977

Inkomstegroep Income Group	Jaarlikse inkomste (middele en omstandighede in ag geneem) Annual income (allowing for means and circumstances)	Maksimum jaarlikse toekenning Maximum annual grant
		R
I	Nul tot/Nil to R126	246
II	Bo/Over R126 tot/to R132	240
III	Bo/Over R132 tot/to R138	234
IV	Bo/Over R138 tot/to R144	228
V	Bo/Over R144 tot/to R150	222
VI	Bo/Over R150 tot/to R156	216
VII	Bo/Over R156 tot/to R162	210
VIII	Bo/Over R162 tot/to R168	204
IX	Bo/Over R168 tot/to R174	198
X	Bo/Over R174 tot/to R180	192
XI	Bo/Over R180 tot/to R186	186
XII	Bo/Over R186 tot/to R192	180
XIII	Bo/Over R192 tot/to R198	174
XIV	Bo/Over R198 tot/to R204	168
XV	Bo/Over R204 tot/to R210	162
XVI	Bo/Over R210 tot/to R216	156
XVII	Bo/Over R216 tot/to R222	150
XVIII	Bo/Over R222 tot/to R228	144
XIX	Bo/Over R228 tot/to R234	138
XX	Bo/Over R234 tot/to R240	132
XXI	Bo/Over R240 tot/to R246	126
XXII	Bo/Over R246	Nul/Nil

WHEN YOUR WORKERS RETIRE

Old age state pensions for Africans range between R14 and R20,50 a month. Partly as a result of a drive begun two years ago by the National African Federated Chambers of Commerce (Nafcoc), increasing numbers of companies — although they are still the exception rather than the rule — are providing pension schemes for their black workers.

Employers have long resisted such schemes on the grounds that labour turnover is too high to make them economically and administratively feasible. Many firms also suggested that their black staff were "too unsophisticated" to understand the idea of a pension and that resistance to pay packet deductions was strong.

"Nonsense!" says Fiachra O'Hanrahan, MD of African Pension Trustees (APT), which administers pension schemes covering 30 000 black members. "Provided the pension scheme is properly explained to black staff members, there is invariably great support among them." APT uses audiovisual methods to sell the idea of pensions to workers.

O' Hanrahan points out that traditional extended-family ties have been so weakened, especially in urban areas, that workers cannot depend on them in hard times or old age. "Black workers," he adds, "are acutely aware of the need to provide for their old age and are quite happy to make contributions to a pension scheme."

In line with recommendations by Nafcoc, O' Hanrahan emphasises the need for pension schemes to provide for retirement incomes rather than lump sum benefits, which are often quickly dissipated with the result that the pensioner is left in desperate straits. He also says that the trend is for companies to adopt single contributory schemes for all their staff, black and white.

Pensioner . . . a smile in old age

Some companies tend to drag their feet, however. Joseph Sethejoa, assistant pensions adviser at the Old Mutual, says, "Many managers use excuses for not starting pensions for their African workers — such as that their workers are not registered, and can therefore be dismissed immediately and endorsed out by inspectors. But this doesn't affect the pension at all, provided that the worker retains the right to the benefits. In fact, it makes the need for a pension even greater."

Domestic workers, in particular, are often left with very little in their old age, since very few employers make provision for pensions for them.

Under a scheme devised by the Old Mutual and Nafcoc, however, employers may set aside a monthly amount for their domestic servants (or, indeed, for other workers). This becomes the basis of a pension on retirement. The main advantage of the scheme is that all contributions remain the property of the worker and are transferable if he or she changes his or her employer. The scheme does not yet offer life cover — unlike a similar APT scheme — though Old Mutual says it is constantly revising and improving it. Nevertheless, fewer than 2 000 out of some 1m domestic workers are presently covered by pension schemes.

African women face a further handicap. Since they invariably remain minors even after marriage, there is no guarantee that they will actually be the recipient of pension benefits, particularly in the case of lump-sum payouts. In an attempt to obviate this problem, APT runs trustee accounts for "many hundreds" of its women members. They are thus protected against the assertion of male prerogatives.

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D.D 13/9/77 DAILY DIS

Mrs Somtunzi 114 yesterday.

Woman turns 114

EAST LONDON — Mrs Ellen Somtunzi of Mdantsane, who is probably the oldest living South African, turned 114 yesterday, but there was no celebration.

The reason, she said was that she had not received her pension because of a misunderstanding about her identity number.

"I lost my reference book some years ago and since I didn't need it other than for drawing pensions, I arranged for the number to be kept and a relative to collect the pay," she said.

"But they told us we had one figure short in the number this time and would not get the pay until the last number was produced," she added.

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Ref: 3P

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The impossible pension plan

At this stage in the economic climate there cannot be a special feature on insurance without some mention of the proposed State pension scheme — gross contributions of seven per cent of salary, with a final pension at age 65 of 75 per cent of the last working year's income. How ridiculous can some people be?

Yet it has been proved it is not a slip of the tongue as, in a recent interview, the Minister of Pensions, Sen. Van der Spuy, criticised the plan's critics for failing to understand the facts of the plan.

The only facts, if they can be termed such, are that it has been stated categorically the contributions — by all tax paying citizens — will total seven per cent. How employers work out the ratio of employee — employer share of that will be left to them. They could refuse to contribute anything, leaving the employee to pay the full seven per cent; or they could go to the other extreme and pay all seven per cent, leaving the employee with nothing to contribute. Or any variation of seven per cent.

In return, at the age of 65 (with a minimum contributing period of five years) a pension of 75 per cent of the final year's salary or wage will be paid as a pension for life.

Furthermore, should an employee become physically unfit to work before his 65th birthday, he will qualify for a pension of 75 per cent of his then salary or wage; while should he die and be survived by a widow and — or children, they will continue to receive that 75 per cent pension!

Quite apart from any abuse of the scheme which may arise — and it is wide open to abuse of various types — such a scheme is actuarially impossible to fulfil.

Whoever thought this one up has as much intelligence as the person who dreamed up the scheme of South Africa having three parliaments, three prime ministers, three cabinets, and a triplicated provincial and municipal administration set-up! Financially it just cannot work. And neither can the pension scheme.

Pension insurance is a highly specialised and complicated business, of which State officials know little or nothing. They should get on with their own business of trying to run the country, and let the experts get on with pensions in their existing form with, perhaps, the addition of making all pensions transferable. For the transfer from one employer to another is the only real drawback that exists in South Africa.

— BUSINESS EDITOR

EAST LONDON — Should retirement be compulsory at a certain, predetermined age? The answer to this from many people would be no, and rightly so for, if you look around you, you will see many highly qualified and capable pensioners literally wasting away their remaining years and, at the same time, many businesses virtually "crying out" for qualified employees.

In the United States some time ago there was a law-suit to overturn an age-specific retirement policy, which won support from the American Medical Association, which stated quite categorically that no evidence existed which showed older workers to be less efficient than younger ones.

So that can rule out the medical and health grounds for such a retirement scheme.

Then, an expert on all aspects of aging, Arthur S. Flemming, asserts that a forced retirement at a set age stands "in direct conflict with our Judeo-Christian concept of the dignity and worth of each human being."

So that can rule out any religious grounds for such a retirement scheme.

The main justifications for obligatory retirement at a certain age are the difficulty of deciding whom to retain and whom to let go, and the need to make room for younger employees.

Yet it is by no means unknown for companies to overcome these arguments. To use the United States as another example, one of its major corporations manages very well. Few of its

BMR 'population'

The test statistic, x^2 (Chi-squared), is computed from differ the observed value (in HP), and the expected value (computed proportions observed in the BMR sample to the HP figures).

In the 't' test, two means are compared by dividing the diff them by a measure of the possible error in them.

/Both ...

by Disp. 20/9/17

Should retirement be compulsory?

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employees are subject to compulsory retirement rules. Most may continue working as long as they can pass annual medical examinations adjusted to the demand of their jobs.

If compulsory retirement were prohibited by law, therefore, how would it be possible to retire an employee? Simple. In the majority of instances it would be because the employee wanted to retire. Age, as a qualification for a job, should be considered only when a necessity to a normal operation of the particular business, similar to requiring, for instance, a CA qualification to be an accountant, or a Government certificate to be an engineer, and so on.

The idea would be to make retirement desirable. A generous and flexible pension plan sets a low "price" on giving up a salary. But price is only one consideration for the person in his or her 60s "buying" retirement. Others include:

The quality of the product — in other words, will I enjoy retirement? Influencing the answer to that question are tangibles like company sponsorship of retirement clubs, with stimulating activities and intangibles like the status accorded retirees who return for visits;

The desire to find out what it is like before plunging in. The Swedish government offers workers the opportunity of tapering off work gradually between the ages of 60 and 70. Many women with young children want part-time, school-hour jobs. A possible procedure is to employ one of them in the mornings, and someone approaching retirement in the same job in the afternoons;

When retirement is "marketed" in this way, the competition is the job — its status, salary and the feeling of usefulness it provides. When that combination of benefits outweighs the benefits of retirement in the worker's mind, that worker will retire only if the organisation can force him or her to do so.

Such situations will require the organisation to demonstrate that this individual or a certain age group cannot perform the duties of the job. When the required capabilities are unclear, management, obviously, must find out.

But once the organisation has established good measures of the capabilities needed for its various jobs, it should be able to retire some workers earlier.

No longer must it retain employees who have lost their productivity and drive in their late 50s or early 60s, but who are kept on because today's special pressures and union contracts make it difficult to force them out.

Moreover, management may discover that in fact most of its workers in their 60s have the necessary capabilities and should stay.

The result could be a significant saving in recruiting and training costs and, if the average worker continues to work until the age of 70 or later, a decrease in contributions to the pension fund!

Companies can take matters a stage further and, indeed, I feel they should. For example:

Let management take a good, hard look at the retirement "product" offered to their workers, and see how likely they would be to "buy" if they did not have to. Then improve it.

Consider part-time jobs for retired workers; discounts on company products are another possibility — obviously more relevant for major household appliances or motor vehicles than for, say, shoelaces ... or even newspapers!

Consider the merits of a gradual retirement plan; easing the shock of retirement and the chance it offers to obtain the "best four hours" perhaps of a worker's day, whether that worker is 60 or 68.

And think of the benefits to the community as a whole — the companies included.

People over 65 will have more money, whether they stay on the job or because pension plans are "sweetened" to lure them into retirement. They will become a more desirable market, with many industries and businesses benefiting;

The creation of a significantly higher proportion of part-time jobs as more employees ease into retirement will spread commuting and other activities over a greater part of the day. As a result the economy will prosper generally.

What would a flexible programme of the future look like? It's impossible to say, but the last person to consider retiring at 65 these days is an actuary!

— BUSINESS EDITOR

The pension trap

AS their pension money goes up, the smiles on many pensioners' faces go down.

Because the more some pensioners get, the more they lose.

Old people getting a company (private) pension below R82 a month are entitled to a Government (social) pension to bring their income up to R114.

But if they earn one cent more than R82 from their private pension, they forfeit the R32 minimum social pension.

Several pensioners in Johannesburg and Durban have recently faced the dilemma of having to refuse a pension increase from their private provident funds or forfeit their social pension and be worse off financially.

"The big chop-off point" is how administrators of several large schemes described it this week.

A pension administrator, Mr Fred Simon said: "There is no tailing off after R82.

"We may give our pensioners increases to try to offset inflation, but many are worse off than before. They actually lose."

Large pension funds are trying to come up with a solution to the problem.

One fund is conducting a survey to find out how many people are in the "grey area" between R82 and R114 and between R164 and R228 for married people.

"Why have such a sharp cut-off point?" one pension scheme administrator asked.

"A sliding scale right up to R114 would at least leave the pensioners no worse off even if a private fund did give them an increase."

He said his company's pension scheme, with more than 5 000 black and white members, did not know of any black pensioners in similar predicaments.

Many hit

"But there are likely to be blacks in the same dilemma who just haven't come forward yet," he said.

Another pension fund, attached to a quasi-government corporation, sees no solution to the problem, and continues to give pensioners increases though they may lose financially.

"Our sympathies are with the old people. It is the strict means test that has got us and we have no answer.

"The honest people who declare their pension increases are the ones who lose out first," the pension administrator said.

Mr Geoff Oldfield, MP for Umbilo and long-time campaigner for pensioners, said that the "chop-off" point was becoming a real problem for many old people near the limits of R82 and R164.

"The central problem is the means test, which has remained unchanged since 1972," he said.

"As it operates at the moment, the gap for old people on the borderline is getting bigger, especially with the increase which became due on the first of this month.

No solution

"A terrific number of people are affected and many face greater financial burdens partly because of losing their social pension and fringe benefits and partly because their incomes have decreased.

Mr Punt Janson, Deputy Minister of Social Welfare and Pensions, said this week that he was aware of the pensioners' predicaments.

"It is a problem and I have had many people approach me about it.

"My department is working on various solutions and investigating ways we can get round this.

"Our sympathies are with the pensioners. The easiest way out is to waive the means test but that would not be practical," Mr Janson said.

By JILL McILRAITH

CASE STUDY 1

● MISS Bunny Brunton, 66, a war veteran and former Springbok hockey player, lives on a smallholding south of Johannesburg.

In May Miss Brunton discovered that a R16 increase to her pension of R54 from her former employer put her outside the means test and she stood to lose her R62 war pension.

She asked for the increase of R16 to be withdrawn. Her war pension was reinstated, together with two months back payments.

She now lives on a pension of R115 with a widowed 79-year-old friend, three dogs and six cats.

"We battled to buy this place. Having to forfeit the war pension for a R16 increase doesn't seem to make sense," Miss Brunton said.

CASE STUDY 2

● Another Johannesburg widow, aged 71, received a letter from the Department of Social Welfare and Pensions telling her she has lost her pension of R43 a month because of a R9 increase in her private pension.

She asked that the private pension increase be taken back and that her pension be pegged below R82 so that she continues to qualify for the R32 minimum social pension.

The widow, who looks after and supports her 96-year-old mother-in-law, said that it had upset her very much.

"I was furious. I am being penalised for getting a private pension which I contributed to all my working life.

"It is unrealistic that people my age should have to start battling for each cent," she said.

Miss Bunny Brunton and her friend, Mrs Edith Durham . . . losing out.

Pension or pittance?

Barbara Ludman of The Star's Insight Team

When new, improved social pensions are paid this month, it will be hard to detect any jubilation.

Virtually no one concerned with the care of the fndigent aged is happy with the new pension rates.

Certainly not Mr Horwood, Minister of Finance, who apologised when he read out pension increases requests in his budget speech last March: R7 per month more for whites, R4 for Asians and coloured people, and R2 extra for blacks.

"The House will appreciate that it is not possible in the present financial situation to grant such an increase as we would all wish to see," he said.

The increases granted by the House put the maximum pension for whites at R79 monthly; for Asians and coloureds R43 and for blacks at R20,50 per month.

The South African Legion is not happy with the new rates.

"We recognise the fact that South Africa is not a wealthy state and that pensions are designed only to supplement a person's income," Major Sam Nichols, secretary of the Johannesburg Branch, said last week.

"But the increases do not take higher costs into account — particularly for coloured and black pensioners. Increases in rent and transport almost cover whatever extra they've got."

Mrs Zelda Droskie, director of the SA Council for the Care of the Aged, isn't happy with the new increases — or with the means test which is only slightly relaxed.

Invested

A pensioner is allowed some fixed assets and income, so long as the total does not bring him above a minimum level. The income ceiling for whites is R82 monthly; one way to reach that ceiling is to add up the pensioner's assets and allow four percent interest, calling it income.

Thus an applicant who has R22 000 invested in a building society account paying 8 percent annually may still qualify for a full pension, if he has no other income; yet another applicant with no investments, but a private pension of R83 monthly will not qualify for a cent.

Nor can loving children do much to help out —not legally. If a son buys a house and invites his widowed mother to live in it, the municipal valuation of the house can be added to her list of assets — even though she doesn't own it. If a daughter hands her parents R1 000 and they invest it that counts as an asset too.

Some outside help is essential. "Nobody can live on a pension of R79 per month, not with the increase in the cost of living today," Mrs Droskie said.

And if white pensioners cannot live on R79, she added, how are other race groups expected to survive on their far-smaller pensions?

Increases

"The Government announced last year they were going to close the gap between pensions paid to racial groups," she said. "But the gap is widening. They have changed the percentage of increase slightly. But when a pension is a small one, the percentage increase doesn't make much difference."

Spokesmen for coloured and Asian organisations have protested officially at the widening of the gap this year. "Once the government has accepted the principle to eliminate the gaps in the various pensions, money must be allocated for that purpose," said Mr I F H Mayet, executive member of the SA Indian Council.

When increases are made for any racial group, those increases should be at least on a par."

The relevant government departments seem to expect coloured and Asian pensioners to live with relatives, according to Miss Muriel Horrell, who retired recently as chief research officer for the Institute of Race Relations.

Unfair

"They're just supposed to crowd in with other families," she said, despite overcrowded conditions in coloured ares.

As for the blacks, on R20,50 per month: "They are trying to force black pensioners to live with relatives in the homelands," she said.

"One must keep in mind that it is not completely callous. There are some old-age homes for Africans, but in general they are in the homelands. Some of these old people have no connections in the homelands any more."

"The gap should be closed," she said. "Black purchasers have to pay exactly the same for food and clothing as whites. It's very much unfair to expect them to get along on so much less." Pen-

April 70: For every R1 paid to a black pensioner, a coloured got R3,30 and a white R7.

April 71: For every R1 paid to a black pensioner, a coloured got R3,13 and a white R6,60.

October 76: For every R1 paid to a black pensioner, a coloured got R2,08 and a white R3,89.

October 77: For every R1 paid to a black pensioner, a coloured gets R2,10 and a white R3,85.

Closing the gap

The following figures show the ratio of basic pensions: in 1968, for example, a black was allowed a basic yearly pension of R21, a coloured R72 and a white R336.

October 1968: For every R1 paid to a black pensioner, a coloured got R3,42 and a white R16.

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At the foot of their meagre rainbow.

sioners might be able to manage if their families took them in but, she said, "I don't see why they should expect that of blacks when they don't expect it of whites."

Very few black applicants are paid the maximum old-age pension, according to the Institute for Race Relations.

Possibly because the means test for blacks defies belief.

If a black has an annual income of R246 he is not entitled to any pension at all.

If he owns a cow, the Department of Bantu Administration assesses its value at R 8 — whatever its age or condition. Does an applicant grow peanuts? He could sell them at R 2 per bag, the rules say: and so his income is assessed at R 2 per bag, whether he sells the peanuts, eats them, or gives them away.

If he is so destitute a welfare organisation pays him a survival stipend, that amount is counted as income.

Difference

And although the Department of Social Welfare, when computing income for white pensions, says assets give a four percent return on investment, the Department of Bantu Administration — when computing income for black pensions — says assets below R 600 give a 5 five percent return and those above R 600 give a 7 percent return. That makes an important difference when the interest is counted as an applicant's income.

The situation has been worse. Nine years ago, an aged black was entitled to an annual basic pension of R21 per year — if he could prove that neither he nor anyone else in his family could find a job.

Or has it changed very much?

Some officials still seem to believe that black old-age pensions are in some way tied to unemployment insurance, according to Black Sash national director Mrs Sheena Duncan.

"A black person who is denied a pension has no machinery for approaching the courtss for a declaration of his rights. It has an effect on the way black applicants are treated: with suspicion, as if they were trying to fiddle or to beg for charity.

"A pension is not regarded as a right. It's regarded as a privilege, and this is where the trouble lies."

New means test for black social pensioners

EARNINGS		PENSIONS PAYABLE
Nil to	R126 pa	R246 pa (R20,50 pm)
R126 to	132 pa	240 pa (20,00 pm)
132 to	138 pa	234 pa (19,50 pm)
138 to	144 pa	228 pa (19,00 pm)
144 to	150 pa	222 pa (18,50 pm)
150 to	156 pa	216 pa (18,00 pm)
156 to	162 pa	210 pa (17,50 pm)
162 to	168 pa	204 pa (17,00 pm)
168 to	174 pa	198 pa (16,50 pm)
174 to	180 pa	192 pa (16,00 pm)
180 to	186 pa	186 pa (15,50 pm)
186 to	192 pa	180 pa (15,00 pm)
192 to	198 pa	174 pa (14,50 pm)
198 to	204 pa	168 pa (14,00 pm)
204 to	210 pa	162 pa (13,50 pm)
210 to	216 pa	156 pa (13,00 pm)
216 to	222 pa	150 pa (12,50 pm)
222 to	228 pa	144 pa (12,00 pm)
228 to	234 pa	138 pa (11,50 pm)
234 to	240 pa	132 pa (11,00 pm)
240 to	246 pa	126 pa (10,50 pm)
Over 246 to	— pa	Nil pa (— pm)

Pensions are payable every second month.

Figures represent the basic old age pension payable to blacks.

Table prepared by SA Legion when increases were announced.

What old people need to qualify

(298) Star 8/10/77

You have to be elderly to qualify for an old-age pension. But that's less than half the battle.

To many people the means test laid on pension applicants is only slightly less complicated than Einstein's theory of relativity.

One way to find out whether you are entitled to a pension is to call on the relevant goverment department: The Department of Social Welfare and Pensions, the Department of Coloured Affairs, the Department of Indian Affairs or the Bantu Administration Department.

Employees of these departments consult a handy chart to see what the applicant is entitled to — if anything.

Or you can do it the hard way.

There is a basic formula for determining the means of white applicants. The formula is similar for coloured and Indian pensioners, although the figures are different.

For blacks, it's a whole new ball game. The chart on this page was prepared by the SA Legion when the budget was announced last March, to give aged black veterans some idea of what their pensions might be.

For more up-to-date information, blacks who want to estimate their pension eligibility should consult private organisations, such as the Institute for Race Relations or Black Sash.

Here is the basic formula for white applicants.

First, add up all your assets. They include:

The municipal valuation on your house, if you own it, minus the bond you still owe on it;

The full value (not the income) of your savings and investments;

The full value (not the income) of any agricultural property you own;

The capital amount of any annuity you possess;

The amount of usufruct (a house, for example, which you do not own but may live in free of charge);

Any assets you had five years ago but have since got rid of.

Deduct R9 800 (an amount the Government calls "free assets").

Take 4 percent of the total and call it income.

Add up your other income: the amount of any private pension or any income from money held in trust. Add in the net profits of any business you own. If you own a farm, add R144.

Do you receive fees? Take one-quarter of those.

Do you rent out rooms? If you have more than two roomers, take ¼ of the rent they pay. Do you take in lodgers? If you have more than three, and they are not your own unmarried children, add in what they pay you.

Are you married? If not, add in your total salary. If you are, take half your salary. Unless. . . .

If a husband's salary is less than 50 percent of his wife's salary, ¼ of her salary — plus all of his salary — is added together, then divided in half.

Add your income to the 4 percent you took of your total asssets.

Deduct R504 (an amount the Government calls "free income").

If the figure you are left with exceeds R984 per person, you probably don't qualify for a pension. But you should apply in any case, because your calculations may have been in error. The difference of a rand or two in determining assets or income could mean the difference between the minimum pension (R39 per month) or no pension at all.

A host of variables can influence the amount of pension you will actually receive.

Certain—Childbirth

Certain, adj., ea 'nete, ea sebele, e itseng; *a certain man,* motho ea itseng; *for certain,* hore ho itseng.
Certainly, adv., ka 'nete, ruri, sebele, amaruri.
Certainty, n., 'nete, ruri, tsebiso.
Certificate, n., lengolo la ho paka, la ho tiisa taba.
Certify, v., ho paka, ho tiisa.
Chaff, n., mōōkō.
Chafe, v., *the skin,* ho phumola.
Chafe, v., *to fret, fume,* ho ngatha, ho itšēna; *to excite passion,* halefisa.
Chain, n., lehlaahlela, leqakatsa, ketane; v., ho hōleha, tlama.
Chair, n., setulo sa ho lula, sa ruta.
Chairman, n., motsamaisi ea phuthēho ea litaba.
Chalk, n., phōfō e tšoeu, chokoleite.
Challenge, v., ho phephetsa; n., eisa; n., keiso, phephetso.
Challenger, n., motsoèla-ntoeng.
Chamber, n., phaposi, ntlo lekhotla.
Chameleon, n., lempetje, lenoabo.
Chance, n., seoèlo; *a good chance,* bloahloa, lehlohonolo.
Chance, v., ho tšoha, ho hlaha.
Change, v., ho fetola; *to become changed,* ho fetoha; *to change one's mind,* ho thinya-thinya, koeneha; *to change money,* ho thuha chelete; n., phetoho, koenecho; chelete tse nyenyane.
Chaos, n., moluba-lube, ntho e nang sebōpeho.
Chap, n., tlhabela, lefafatsane, lenga, petlane; *chap under the toes,* monyōkōlane; v., ho petla.
Chapel, n., ntlō ea thapelo.
Chaplain, n., moruti oa lekhotla la masole.
Chaplet, n., sefaha sa litōna.
Chapter, n., khaohanyo, karolo ea buka, khaolo, hloho.
Character, n., semelo, mokhoa e motho, sebōpeho sa motho.
Charcoal, n., mashala a lifate.
Charge, v., ho neela (ntoeng), laela, bèa molato; n., tiso, bohloki, beli, taèlo, paballo; *he is in my charge of a gun,* o paballong ea ka; *charge,* hlahlèlo ea sethunya.
Charitable, adj., e mohōlo, oa sehloho.
Charitably, adv., ka nang le
Charity, n., ntle.
Charm, n., setlhare
Charm, v.,
Chase, n., qōpha; lekoata
Chasm, n.,
Chaste, adj., lafatsoa
Chasten, v., bake, r
Chastise, v.,
Chat, v.,
Chatter, n., koma.
Chatterbox, n., behile,
Cheap, adj., *to be c*
Cheat, n., qheka phōma
Check, v., thibelo
Cheek, n., kutlham
Cheer, n., hlabela ho kho
Cheerful, adj., e moloha
Cheese, n.,
Chest, n., kese le
Chew, v., *the* lōsa.
Chicken, n., tsuoanyana.
Chickenpox, n., mokoana, khōphōle.
Chide, v., ho khalemèla, ho nyatsa.
Chief, n., morèna e moholo, hloho, khosana, monghali, mong; khosana, monghali, mong; adj., e moholo, oa sehloho.
Chieftain, n., morèna, molaoli, sepa-pitso, khosana.
Chieftainship, n., borèna, serèna.
Chilblain, n., monyōkōlane, machachetsi a serame.
Child, n., ngoana, plur. bana.
Childbirth, n., pelehi.
Chrysalis, n., phetōho ea seruubele le ea tšoèlè.
Chuckle, v., ho tšèha.
Church, n., *building,* kereke, ntlo ea thapelo; *a Christian assembly,* kereke, phutheho ea balumeli.
Churchyard, n., phupu ea bafu.
Churn, v., ho fèhla, n., lefèhlo sefèhlèlo.
Chyme, n., mosoang.
Cicatrix, n., sepha, sebabetsi.
Cinder, n., molora oa mashala.
Circle, n., mopotōlōho, selikalikoe; *complete circle,* lesaka la nkope.
Circuit, n., *to make a circuit,* ho potoloha.
Clatter, n., lerata, lerata ha ntho tse th
Claw, n., lerō.
Clay, n., mobu oa ho serètsè; *potclay, clay,* phèpa, khoaba
Clean, adj., e hloekilen kang litšila; v., h hlatsoa, hlakōla,
Cleanliness, n., hloèko
Cleanse, v., ho hlatsō̤la, khōfa.
Clear, adj., e hloekilen v., ho hloekisa, e lokōlla molatong.

Gap in pensions getting bigger

RDM 10/10/77

298

Own Correspondent

CAPE TOWN. — The gap between pensions paid to whites and blacks is getting bigger, says the director of the South African Council for the Aged, Mrs Z Droskie.

The position was a matter of concern, she told a Cape Town conference of the Council on the Social and Economic Needs of the Aged.

The discrepancy between white and coloured and Indian pensions had increased from R30 in 1975 to R36,50 in 1977, and between whites and blacks from R49 to R58,50, she said.

Pension scales in 1977 were R79 per month for whites, R42,50 for coloureds and Indians and R20,50 for blacks.

Mrs Droskie said the council had repeatedly asked Government Departments to review the situation, especially that of blacks.

'How any human being can live on R40 payable every two months is a complete mystery to me," she said.

numerous possibilities.

No. R. 2083 14 October 1977

AMENDMENT OF REGULATIONS MADE UNDER THE SOCIAL PENSIONS ACT, 1973

Under and by virtue of the powers vested in me by section 17 of the Social Pensions Act, 1973 (Act 37 of 1973), I, Cornelius Petrus Mulder, Minister of the Interior, in so far as the administration of the said Act has been assigned to me by Proclamation R. 219 of 1973, do hereby amend the regulations promulgated under Government Notice R. 2151 of 14 November 1975, with effect from 1 October 1977, as set out in the Schedule hereto.

C. P. MULDER, Minister of the Interior.

SCHEDULE

The following is hereby substituted for regulation 13 (1) (a) and (b):

"(a) the social pension granted to any applicant as from the 1st day of October 1977 shall not exceed R510 per annum, as the Secretary may determine, having regard to the circumstances, annual income and other means of the applicant and of his spouse;

(b) no social pension shall, subject to the provisions of regulation 10 (c), be granted to any applicant at such a rate as will make his annual income and other means, together with the pension, exceed R762 per annum, as from the 1st day of October 1977;",

No. R. 2083 (298) 14 Oktober 1977

WYSIGING VAN REGULASIES UITGEVAARDIG KRAGTENS DIE WET OP MAATSKAPLIKE PENSIOENE, 1973

Kragtens die bevoegdheid my verleen by artikel 17 van die Wet op Maatskaplike Pensioene, 1973 (Wet 37 van 1973), wysig ek, Cornelius Petrus Mulder, Minister van Binnelandse Sake, vir sover die uitvoering van genoemde Wet ingevolge Proklamasie R. 219 van 1973 aan my opgedra is, hierby die regulasies afgekondig by Goewermentskennisgewing R. 2151 van 14 November 1975 met ingang 1 Oktober 1977, soos in die Bylae hiervan uiteengesit.

C. P. MULDER, Minister van Binnelandse Sake.

BYLAE

1. Regulasie 13 (1) (a) en (b) word hierby deur die volgende vervang:

"(a) mag die maatskaplike pensioen wat vanaf die 1ste dag van Oktober 1977 aan 'n aansoeker toegeken word, hoogstens R510 per jaar beloop wat die Sekretaris met inagneming van die omstandighede, jaarlikse inkomste en ander middele van die aansoeker en van sy eggenote vasstel;

(b) word 'n maatskaplike pensioen, behoudens die bepalings van regulasie 10 (c), nie aan 'n aansoeker toegeken teen so 'n skaal dat sy jaarlikse inkomste en ander middele tesame met die pensioen R762 per jaar, vanaf die 1ste dag van Oktober 1977, te bowe gaan nie;",

Church to approach State on pensions

DD 23/10/72 (2-98)

JOHANNESBURG — Difficulties of black aged who receive their State pension on a two monthly basis are to be taken up with the Government by the Methodist Church.

The Government will be urged to eliminate discriminatory pensions and will also be urged to pay black pensions on a monthly basis, as is done for other race groups.

At the Methodist conference in Benoni yesterday, the Rev Z. Masai said that if people moved and had to arrange to collect their pensions in a different place, in most cases the pensions stopped altogether. Otherwise the transfer took a long time.

He said some pensioners in Mafeking had to travel to the Free State every two months to collect their pensions. Travelling costs used up half of the pensions.

Mr Harry Makubire said if a black person was ill and unable to collect three successive pensions over a period of six months, the pension ceased.

The conference will also ask the Government to start a national relief scheme immediately because of the growing problem of unemployment. — DDC.

No. R. 2440 25 November 1977

AMENDMENT OF REGULATIONS MADE UNDER THE AGED PERSONS ACT, 1967 (ACT 81 OF 1967)

Under section 20 of the Aged Persons Act, 1967 (Act 81 of 1967), read with Proclamation R. 270 of 1971, I, Hendrik Hanekom Smit, Minister of Coloured, Relations, hereby further amend, with effect from 1 October 1977, the regulations made under the said section 20 and published by Government Notice R. 1809, dated 4 October 1968, as amended, by—

(a) the substitution in regulation 10 (2) (a) for "four hundred and sixty-two rand" of "five hundred and ten rand";

(b) the substitution in regulation 10 (2) (b) for "seven hundred and fourteen rand" of "seven hundred and sixty-two rand"; and

(c) the substitution for regulation 16 of the following regulation:

"PAYMENT OF PENSIONS AND ALLOWANCES TO AGED PERSONS MAINTAINED OR RECEIVING TREATMENT IN CERTAIN INSTITUTIONS

16. (1) If at any time any pensioner is being maintained or is receiving treament in any institution at the expense of the State or in a State or State-aided institution receiving grants-in-aid from the State, no pension or allowances shall be paid to him or on his behalf under the Act or these regulations from the first day of the month immediately following the month in which he is admitted to such institution at the expense of the State or to such State or State-aided institution up to the last day of the month immediately preceding the month in which he is discharged from such institution or such State or State-aided institution: Provided that the provisions of this regulation shall not apply to a pensioner maintained or receiving treatment—

(a) in a home for the aged as defined in section 1 of the Aged Persons Act, 1967 (Act 81 of 1967);

(b) in a home for handicapped persons;

(c) in such institution, otherwise than at the expense of the State or in a State or State-aided institution, being a hospital intended for the treatment of persons suffering from any acute illness; or

(d) for a period not exceeding three months in any State or State-aided institution being a hospital intended for the treatment of persons suffering from any chronic illness.

(2) Notwithstanding the provisions of subregulation (1), the Secretary may at his discretion pay a social pension and any allowance granted to any pensioner referred to in that subregulation or any portion thereof to such pensioner or to any other person or to the management of the State or State-aided institution in which such pensioner is being so maintained or treated, for disbursing on behalf of such pensioner for such period as the Secretary may deem fit.".

H. H. SMIT, Minister of Coloured Relations.

No. R. 2440 (298) 25 November 1977

WYSIGING VAN REGULASIES UITGEVAARDIG KRAGTENS DIE WET OP BEJAARDE PERSONE, 1967 (WET 81 VAN 1967)

Kragtens artikel 20 van die Wet op Bejaarde Persone, 1967 (Wet 81 van 1967), gelees met Proklamasie R. 270 van 1971, wysig ek, Hendrik Hanekom Smit, Minister van Kleurlingbetrekkinge, hierby, met ingang van 1 Oktober 1977, die regulasies uitgevaardig kragtens genoemde artikel 20 en afgekondig by Goewermentskennisgewing R. 1809 van 4 Oktober 1968, soos gewysig, verder deur—

(a) in regulasie 10 (2) (a) "vierhonderd twee-en-sestig rand" deur "vyfhonderd-en-tien rand" te vervang;

(b) in regulasie 10 (2) (b) "sewehonderd-en-veertien rand" deur "sewehonderd twee-en-sestig rand" te vervang; en

(c) regulasie 16 deur die volgende regulasie te vervang:

"BETALING VAN PENSIOENE EN TOELAES AAN BEJAARDES WAT IN SEKERE INRIGTINGS ONDERHOU WORD OF BEHANDELING ONTVANG

16. (1) Indien 'n pensioentrekker te eniger tyd in 'n inrigting op koste van die Staat of in 'n staats- of staatsondersteunde inrigting wat geldelike bydraes van die Staat ontvang, onderhou word of behandeling ontvang, word daar vanaf die eerste dag van die maand wat onmiddellik volg op die maand waarin hy in sodanige inrigting op koste van die Staat of in sodanige staats- of staatsondersteunde inrigting opgeneem word tot die laaste dag van die maand wat die maand waarin hy uit sodanige inrigting of sodanige staats- of staatsondersteunde inrigting ontslaan word, onmiddellik voorafgegaan, geen pensioen of toelaes ingevolge die Wet op hierdie regulasies aan of ten behoewe van hom betaal nie: Met dien verstande dat die bepalings van hierdie regulasie nie van toepassing is nie op 'n pensioentrekker wat onderhou of behandel word—

(a) in 'n ouetehuis soos omskryf in artikel 1 van die Wet op Bejaarde Persone, 1967 (Wet 81 van 1967);

(b) in 'n tehuis vir gestremde persone;

(c) in sodanige inrigting, anders as op koste van die Staat of in 'n staats- of staatsondersteunde inrigting, wat 'n hospitaal is wat bestem is vir die behandeling van persone wat aan 'n akute ongesteldheid ly; of

(d) vir 'n tydperk van hoogstens drie maande in 'n staats- of staatsondersteunde inrigting wat 'n hospitaal is wat bestem is vir die behandeling van persone wat aan 'n chroniese ongesteldheid ly.

(2) Ondanks die bepalings van subregulasie (1), kan die Sekretaris na goeddunke 'n maatskaplike pensioen en enige toelae wat aan 'n pensioentrekker in daardie subregulasie vermeld, toegeken is, of enige gedeelte daarvan, aan die pensioentrekker of aan 'n ander persoon of aan die bestuur van die staats- of staatsondersteunde inrigting waarin die pensioentrekker aldus onderhou of behandel word, vir besteding ten behoewe van die pensioentrekker betaal vir dié tydperk wat die Sekretaris goedvind.".

H. H. SMIT, Minister van Kleurlingbetrekkinge.

Flanders (1969); Carter & Marshall; Hyman (1971)

7. Industrial Conflict/...2.

Pittance or a pension?

"Conference expresses its concern over the anomalies in the application of the Social Pensions Act to Old Age Pensioners and others. Conference considers it inequitable that a person who had contributed to a private pension should be penalised in respect of the granting of an Old Age Pension, should his private pension exceed the figure laid down in the regulations. Conference urges that the receipt of a private pension should not debar any person from being awarded an Old Age Pension, provided that the private pension does not exceed an amount of R2 352 per annum (being an amount equivalent to a return of 10,1% on the maximum assets allowed in the means test, namely R22 400). Conference also expresses its deep concern over the anomaly that the Old Age Pensioners who find themselves hospitalised for some time have their pensions suspended for that period, irrespective of what their financial liabilities may be. Conference also urges once again that basic pensions be increased to a figure not less than the minimum subsistence level which for purposes of the anti-inflation campaign, was calculated by the Department of Statistics to be R125 per month."

The above resolution was passed at the 1976 TUCSA Annual Conference. It was forwarded to the relevant Government departments which deal with pensions for the various population groups. TUCSA has now received replies from all four Government departments, the major points of which are summarised for comparison in the table below.

	DEPARTMENT OF COLOURED AFFAIRS	DEPARTMENT OF INDIAN AFFAIRS	DEPARTMENT OF BANTU ADMINISTRATION	DEPARTMENT OF SOCIAL WELFARE AND PENSIONS
PENSION: MAXIMUM POSSIBLE AFTER MEANS TEST	R42,50 per month	R42,50 per month.	R20,50 per month	R79,00 per month
PRINCIPLE	Pension is a supplement only. Principle of relying on pension in old age should be discouraged. The necessity of savings, investments, policies and Pension Funds should be instilled in all	The duty of each and everyone to make every effort to provide adequately for old age.	The incentive for making provision for retiring age should be maintained.	People should be encouraged to make as much provision for themselves as possible, even to the extent where such provision will exclude them from qualifying for a social

GUIDELINES FOR HOSPITALISATION	recipient of provincial Hospital on temporary basis. Reduced pension paid to persons in hospital on permanent basis.	Provincial Hospital. Cancelled if recipient committed to a State Mental Institution in terms of the Mental Health Act, 1973.	organisation pensioner forfeits pension. Provision exists for application for disbursement on his behalf.	remains. If recipient is admitted to a State or State aided institution (this usually implies long term) pension is forfeited.
UNIFORM MINIMUM FOR ALL RACES	No comment.	Uniform pension of R125 not feasible. It may be higher than what average social pensioner could have earned, and would discourage these persons from working for as long as they are able to.	Introduction of uniform social pensions for all races cannot be considered at present. Continuous attention is given to the gradual improvement of social benefits for Blacks.	No comment.

IF YOU ARE OLD — AND BLACK

If you were old and black with a working life behind you and totally dependent upon your old age pension as means of support, you would be existing on R20,50 a month. You would probably not have been able to scrape together a nest egg for your retirement. Your children probably can't help you much — their incomes barely stretch to cover their committments. Your R20,50 buys three things, mealie meal, malnutrition and misery.

Muddle!

The necessity of urgent Government action is emphasised by the table above, which reveals the anomalies between pension rights for our various population groups.

The most glaring discrepancy is, of course, in the actual amount paid out. Even the largest pension (for Whites) is grossly inadequate — and the smallest (for Africans) is over R100 less than the figure TUCSA insists is the bare minimum which should be paid out to every pensioner, regardless of race or colour.

The differences between population groups as to policy for hospitalised pensioners should also be noted. The impression is one of confusion, with four separate government departments doing the same work, but each for a different population group.

Wouldn't a single Government department to deal with pensions and other allowances for everyone be more sensible — and less wasteful in terms of manpower and duplication?

Only one Solution

The key to understanding the present inadequacies of State pension provision lies in the underlying philosophy, outlined by all four Government Departments involved with pensions for different race groups, is that a State pension is merely a supplement, and that it is the responsibility of every person to make provision for his or her old age.

This principle is an adjunct of a free enterprise system, which TUCSA would like to see developed in South Africa, and as such we must accept it, **but with two major and important reservations.**

- With the vagaries of the economy in a modern and developing industrial country such as ours, it is virtually impossible for the average working person to make adequate and meaningful provision for his or her retirement in the future. Their savings, or the value of their private pensions, will be grossly eroded by inflation, and this is something that the average person can hardly be expected to account for.

- The sections of the community who are least able to cope suffer most. Low incomes, low skills and poor education go hand in hand with a lack of awareness and financial ability to plan for the future. Even if savings are made, the paltry amounts that can be spared from meagre incomes will be negated by rampant inflation and amount to nothing.

It is for the above two reasons the TUCSA is gravely concerned about the present provisions for pensioners, and has campaigned consistently for the establishment of a national contributory pension scheme.

TUCSA is firmly of the opinion that it is now urgent and essential for the Government to establish a national contributory pension scheme which would:

- Provide for those working people in their old age, who have no private pension scheme and who are at present a burden on the State and taxpayer as they are paid a State pension.

- Eliminate the present racial discrimination in the payment of old age pensions and provide for one viable pension to be paid to everyone regardless of colour or race.

- Abolish the means test, which tends to penalise the thrifty and favour those who have never made any attempt to save.

- Secure the preservation of an employee's pension rights upon changing employment.

The Government's report on the possible establishment of a national contributory pension scheme which was produced during 1977 is an indication that at long last the Government may be taking steps to take up its responsibility in respect of our aged. We await developments.

No. R. 2580 23 December 1977

REGULATIONS FRAMED UNDER THE SOCIAL PENSIONS ACT, 1973, IN RESPECT OF PENSIONS IN THE REPUBLIC.—AMENDMENT OF GOVERNMENT NOTICE R. 1031 OF 1974

I, Andries Petrus Treurnicht, Deputy Minister of Bantu Administration and of Bantu Education, acting on behalf of the Minister of Bantu Administration and Development by virtue of the powers vested in him by section 17 (1) of the Social Pensions Act, 1973 (Act 37 of 1973), read with Proclamation R. 219 of 1973, hereby amend, with effect from 1 November 1977, the regulations contained in the Schedule to Government Notice R. 1031, dated 21 June 1974, in accordance with the accompanying Schedule.

A. P. TREURNICHT, Deputy Minister of Bantu Administration and of Bantu Education.

(File M84/1)

No. R. 2580 23 December 1977

(298)

REGULASIES OPGESTEL KRAGTENS DIE WET OP MAATSKAPLIKE PENSIOENE, 1973, MET BETREKKING TOT PENSIOENE IN DIE REPUBLIEK.—WYSIGING VAN GOEWERMENSKENNISGEWING R. 1031 VAN 1974

Ek, Andries Petrus Treurnicht, Adjunk-minister van Bantoe-administrasie en van Bantoe-onderwys, handelende namens die Minister van Bantoe-administrasie en Bantoe-ontwikkeling kragtens die bevoegdheid hom verleen by artikel 17 (1) van die Wet op Maatskaplike Pensioene, 1973 (Wet 37 van 1973), gelees met Proklamasie R. 219 van 1973, wysig hierby, met ingang van 1 November 1977, die regulasies vervat in die Bylae van Goewermentskennisgewing R. 1031, gedateer 21 Junie 1974, ooreenkomstig die bygaande Bylae.

A. P. TREURNICHT, Adjunk-minister van Bantoe-administrasie en van Bantoe-onderwys.

(Lêer M84/1)

SCHEDULE

"Substitute the following for regulation 10:

"10. A social pension shall be granted with effect from a date determined by the Secretary, either in general or in respect of a specific case: Provided that a social pension shall not be granted from a date prior to the date on which application for such a pension was made on the prescribed form".

BYLAE

Vervang regulasie 10 deur die volgende:

"10. 'n Maatskaplike pensioen word toegeken met ingang van 'n datum wat die Sekretaris, of in die algemeen of met betrekking tot 'n bepaalde geval, bepaal: Met dien verstande dat 'n maatskaplike pensioen nie toegeken word vanaf 'n datum voor die datum waarop aansoek om so 'n pensioen op die voorgeskrewe vorm gedoen is".

ARGUS 11/1/78

300

Pensions proposal 'a fraud'

THE controversial national pension scheme which has been proposed by the Government was described as 'rubbish and a complete fraud' today by Dr A D Wassenaar, chairman of the giant Sanlam group.

'The country should under no circumstances allow a scheme like the proposed one, which is based on a "pay as you go" system, using today's contributions to pay today's pensioners.

'This is unscientific and must lead to financial trouble,' he said.

Dr Wassenaar said any pension scheme should work from the outset on a rate of contribution calculated to carry the scheme throughout.

VARIATIONS

The rate should be subject only to variations caused by factors which might change over time, such as the death rate, which could be allowed for.

To claim that such benefits as a pension of 75 percent of final salaries, as mentioned in the Government report, could be given from a contribution rate of seven percent was a fraud, he said.

Dr A D Wassenaar

'Without question this rate of contribution cannot be maintained for long and they will have to raise it.'

Dr Wassenaar pointed out studies had shown the rate of contribution for the benefits envisaged in the Government report would have to be at least 25 percent and could go as high as 50 percent.

'To sell the country a scheme promising pensions at a seven percent contribution rate is nonsense,' he said.

Call to protect pension rights

OLD Mutual chairman, Jan van der Horst, has called for legislation to preserve the pension rights of an employee when he moves from one employer to another.

He believes this is a matter of urgency. As he said in the Old Mutual's Pensions Service report released this weekend, "The main shortcoming (of pensions funds) is the reluctance of most pension funds to preserve and entrench the pension rights of an employee when he moves from one employer to another.

"The general tendency for employees to take cash refunds on withdrawal becomes even more apparent during a period of economic recession, particularly if employees are retrenched."

He added: "It is becoming increasingly obvious that this practice is giving rise to too many people retiring without having accumulated an adequate pension during their working lifetime. This is clearly an unsatisfactory position which, if not checked, will have a serious effect on the socio-economic structure of the country as a whole."

He went on to call for urgent legislation to protect pension rights of employees within the present free enterprise pension fund structure, an obvious attempt to drum up support for the lobby against the State Pension Fund.

HANSARD NO 3. Col 112 14/2/78

300

Aged White persons

157. Mr. T. ARONSON asked the Minister of Social Welfare and Pensions:

(1) How many aged White persons were accommodated in 1977 on behalf of his Department in homes which are administered by a private company;

(2) (a) what was the daily rate payable by his Department during that year and (b) what was the number of accommodation days.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) 532 aged persons.

(2) (a) R6,73 per day for the financial year 1977-'78.

(b) 136 545 accommodation days.

HANSARD NO 3. Col. 116 15/2/78

300

National pension scheme

*2. Dr. A. L. BORAINE asked the Minister of Social Welfare and Pensions:

Whether he intends to introduce legislation during the current session of Parliament in respect of a national pension scheme.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

The matter is still receiving attention and it is at this stage not yet possible to indicate what steps will be taken in this connection.

HANS. NO.3. Col. 154. 17/2/78

300

Means test for social pensions X

*2. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

In Vr

On what basis are assets taken into account for means test purposes in respect of applicants for social pensions whose assets are invested with companies that have been placed in provisional liquidation.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

On the basis of the true value of the assets concerned which is determined according to the best evidence available.

24. Het u al ooit er skeerspanne saam te werk, by s te bepaal? Indien wel,

25. Word u daagliks, weekliks, of aan die einde van die werk op elke plaas betaal?

Vra u om 'n voorskot en/of agterskot?

Is die boere gewoonlik bereid om dit te gee of nie?

26. Na u mening, is daar op die oomblik 'n tekort aan skeerders in die distrik? Indien wel, wat is die rede hiervoor?

in

Dink u daar sal die toekoms 'n tekort ontwikkel? Indien wel, wat sal die gevolge hiervan wees?

STAATSKOERANT
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GOEWERMENTSKENNISGEWINGS

DEPARTEMENT VAN BANTOE-ADMINISTRASIE EN -ONTWIKKELING

No. R. 317 24 Februarie 1978

DIE WET OP PENSIOENE VIR BANTOE-OWERHEIDSDIENS, 1971

REGULASIES BETREFFENDE DIE PENSIOENFONDS VIR PERSONE IN OWERHEIDSDIENS

Kragtens die bevoegdheid my verleen by artikel 5 van die Wet op Pensioene vir Bantoe-owerheidsdiens, 1971 (Wet 6 van 1971), vaardig ek, Cornelius Petrus Mulder, Minister van Bantoe-administrasie en -ontwikkeling, hierby die regulasies vervat in bygaande Bylae uit. Hierdie regulasies word met die toestemming van die Administrateur-generaal vir die gebied Suidwes-Afrika uitgevaardig en op die gebied Suidwes-Afrika van toepassing gemaak.

Goewermentskennisgewing R. 1955 van 29 Oktober 1971, soos gewysig, word met ingang van die datum van inwerkingtreding van hierdie regulasies herroep.

C. P. MULDER, Minister van Bantoe-administrasie en -ontwikkeling.

(Lêer S1/1/4/2)

BYLAE

WOORDOMSKRYWING

1. (1) In hierdie regulasies, tensy uit die samehang anders blyk, het elke uitdrukking waaraan 'n betekenis in artikel 1 van die Wet geheg is, dieselfde betekenis wanneer dit in hierdie regulasies gebruik word, en beteken

(i) "aanvullende bedrag" 'n bedrag bedoel in regulasie 10 (1) (c) of 16 (1) (b);

(ii) "afhanklike" ook 'n begunstigde;

(iii) "ander diens" diens by 'n werkgewer, wat òf 'n ander regering òf 'n raad, inrigting of liggaam wat by wet ingestel is òf 'n ander liggaam of werkgewer wat die Sekretaris goedgekeur het, kan wees, en aan wie 'n lid afgestaan is vir diens wat nie owerheidsdiens is nie en ten opsigte waarvan sodanige lid nie verplig is om tot die pensioenfonds by te dra nie;

(iv) "bepaalde datum" die datum waarop hierdie regulasies in werking tree;

GOVERNMENT NOTICES

DEPARTMENT OF BANTU ADMINISTRATION AND DEVELOPMENT

No. R. 317 24 February 1978

BANTU AUTHORITIES' SERVICE PENSIONS ACT, 1971

REGULATIONS GOVERNING THE PENSION FUND FOR PERSONS IN AUTHORITIES' SERVICE

Under and by virtue of the powers vested in me by section 5 of the Bantu Authorities' Service Pensions Act, 1971 (Act 6 of 1971), I, Cornelius Petrus Mulder, Minister of Bantu Administration and Development, hereby promulgate the regulations in the accompaning Schedule.

These regulations are promulgated and made applicable in the Territory of South-West Africa with the consent of the Administrator-General for the Territory of South-West Africa. Government Notice R. 1955 of 29 October 1971, as amended is repealed with effect from the date on which these regulations come into operation.

C. P. MULDER, Minister of Bantu Administration and Development.

(File S1/1/4/2)

SCHEDULE

DEFINITIONS

1. (1) In these regulations, unless the context otherwise indicates, every expression to which a meaning has been assigned in section 1 of the Act, bears, when used in these regulations, the same meaning, and—

(i) "beneficiary", in relation to a deceased member, means—

(a) such member's legally adopted child or stepchild, who—

(i) has not entered into a marriage [as defined in section 35 of the Bantu Administration Act, 1927 (Act 38 of 1927)], and is not a partner (as so defined) in a customary union (as so defined);

(ii) has not attained the age of 18 years; and

(iii) is not self-supporting; or

PENSIONS (300) FM 24/2/78

Mutual's method

What is the new Minister of Social Welfare and Pensions, Frederik Willem de Klerk, going to do about the National Pension Scheme?

While the scheme itself has led to controversy there is one element in it that has found general acceptance: the compulsory preservation of pension rights (*FM* Feb 10). Is De Klerk going to take the cue and proceed with legislation which will make preservation of pension fund contributions compulsory?

Behind the scenes it seems that considerable progress has been made in recent months. In October government called a meeting of those who had objected to the scheme, the purpose being to analyse alternative proposals. After that meeting the Department of Social Welfare and Pensions asked for specific proposals, *inter alia* for compulsory contributions, preservation of pension rights, and limitations on paying lump sums at retirement.

Meanwhile, Old Mutual has expanded its Group Pension Plan so that it can cater for transferability and preservation of pension rights.

The Group Pension Plan was started in 1975 to provide mainly for the lower income group (unskilled and semi-skilled workers) whose pattern of employment generally precludes them from full participation in pension funds, such as migrant labour. It operates very much like a savings account, and may be used by employers with or without their own pension funds. Contributions by employer and employee are credited to a member's individual account, and bonuses are added annually. A sophisticated computer system has been devised to provide the necessary flexibility.

The main characteristic is that no cash withdrawal benefit is paid to the member if he leaves his job. He may eventually either return to his original employer, in which case contributions will recommence, or join another participating employer, in which case the same will happen. Should he join a non-participating employer his existing credit in the fund will continue to earn bonuses until he retires when he will draw the pension that has been built up by these accumulations.

Audio-visual programmes in nine languages are used to convince both employers and employees of the advantages of such a scheme.

In the two years that it has been operating about 160 employers employing some 6 000 employees have joined the scheme.

This week, in its annual pension fund report, Old Mutual announced that the plan has been expanded so that it can be used by all pension funds, which opens the way to providing transferability. Since it allows every employer complete freedom as to how much and at what rate benefits will vest, it overcomes the actuarial problems involved in transferring benefits from one pension fund to another.

By transferring accrued rights, employers achieve two things: Old Mutual assumes the responsibility of tracing the member on retirement and making the physical payment of pensions. And the employer's pension fund records are not encumbered with information about people who have long since left service.

[redacted]

[redacted]

Home plots offered free to elderly

25/2/78 Mercury Reporter 300

FORMER MP and stalwart campaigner for pensioners, Major Koos Weckermann of George, has offered elderly people 250 plots at Blood River — free of charge.

He is expecting "phenomenal" response for the 9900m² sites adjacent to the national monument in northern Natal.

Speaking from his home in George, Major Weckermann last night said he had recently been given the land as a free gift by Mr. Robin Wootley, a former director of Bloedrivier Ontwikkelings Maatskappy.

The company bought the plots next to the Afrikaner shrine in 1972.

The 78-year-old veteran campaigner for the elderly said: "Each pensioner will receive full title to the ground but will have to find his or her means to build a home."

Major Weckermann said each unit would cost about R7 000 to build. Bonds could be arranged through the National Housing Commission.

A non-profit housing company was in the process of being formed to control development.

Major Weckermann said he envisaged a community of elderly people with a golf course, bowling greens, libraries, a community hall and several old age homes and a shopping complex.

The developers, Vegkop Housing Organisation, had already laid rough roads in the area and were busy installing essential services.

Pensioners interested in the scheme are invited to apply to Major Weckermann at "Long Vale," Meent Street, George, 6530.

(300) 5/3/78 Sunday Tribune

CHANCE FOR PENSIONERS

I HAVE a scheme for pensioners which is an opportunity occurring once in a lifetime.

This is especially so with living costs climbing higher every day. I can hear you saying "Where is it going to end". Well here's one way you can beat it if you're a pensioner.

Recently I was given as a gift 250 quarter-acre plots near the National Monument, Blood River, which I am passing on to all classes of military and civil pensioners. Each pensioner will receive full title to the ground but he or she will be obliged to find the means of building a home. Bond facilities can be arranged through the National Housing Commission.

A non-profit housing company to be registered under the Companies Act is in the process of being formed to take care of all aspects relating to this development.

There is a condition — if condition it is — and it is simply that the successful applicant will be expected to take a lively interest in the general all-round development of the scheme such as tree-planting and such sporting activities as would lie within the physical power of the pensioner.

A vetting committee to review all applications will be established shortly which should, in the initial stages, be sent to me personally with as little delay as possible. I expect the response to be phenomenal.

K. UECKERMANN
"Longvale"
Meent Street
George
6530.

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Hansard 6 col 350 8/3/78

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Means test for social pensions

*11. Dr. A. L. BORAINE asked the Minister of Social Welfare and Pensions:

(1) When was the means test introduced which is at present in operation in respect of social pensions;

(2) whether consideration has been given to raising the free income level; if so, with what result; if not, why not.

†The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) 1 October 1972.

(2) The means test is reviewed regularly. The free income level will however, not be raised this year as the necessary funds for such a step are not available.

UP GO RAILWAY PENSIONS

N M 5/3/78

CAPE TOWN — The Minister of Transport, Mr. Louwrens Muller, announced yesterday that he had decided to make certain adjustments to the pensions of railway workers from April 1.

He made the announcement while replying to the second reading of the Railways and Harbours Appropriation Bill.

Giving details afterwards, Mr. Muller said the adjustments would affect the various population groups as follows:

Whites — a 5 percent increase for those in receipt of a monthly pension of R250 and higher. Pensioners receiving less than R250 would now receive an increase of R12,50 per month.

Coloureds and Indians — 5 percent more for those in receipt of a monthly pension of R150 and higher. Those receiving less than R150 would receive R7,50 extra.

Blacks — 5 percent for those with a monthly pension of R120 and higher. Those receiving less than R120 would get R6 per month more. — (Sapa.)

Bankruptcy: help for pensioners

Political Staff

CAPE TOWN — Victims of the Voysey Bond property-empire crash are to be given special consideration for old-age pensions from which they are now precluded by the means test.

This follows representations to the Government by Mr Geoff Oldfield, New Republic Party MP for Umbilo.

Many Voysey Bond investors are unable to draw pensions because the book value of their investment makes them ineligible in terms of the means test — even though the real value of the investment has plummeted.

"I have got genuine cases on my hands where people are desperate," Mr Oldfield said today.

"I have had calls from people who are desperate because they are having to live on other savings and these are dwindling."

"I am particularly anxious about the small investor who seems to have lost a good deal of his life's savings."

Pensions increased

THE ASSEMBLY — The Minister of Transport, Mr L. Muller, announced yesterday that pre-1973 Railway pensioners would receive an increase of five per cent or at least R12 as from April 1 this year.

The Minister announced the increase after the New Republic Party's Mr Andrew Pyper (Durban Central) had told him during the second reading on the Railway debate that the pre-1973 pensioners had been forgotten.

"They are the ones who carry the heavy burden today as a result of inflation. They are the people who did not receive the big gratituities which were paid out to other pensioners.

"Regardless of the fact that they receive unrealistically low pensions, they are expected to be satisfied with an annual increase of only two per cent which is the automatic yearly adjustment to their pensions," Mr Pyper said. — PC.

93/7/8M 300

Plea made to up pension pay-outs

THE ASSEMBLY — An appeal was made last night to the Minister of Finance, Sen Horwood, to provide sufficient money in the coming budget to enable pensions to be reviewed and the means test to be revised.

Dr Alex Boraine (PFP, Pinelands) was reacting to the Government's decision — revealed in a question answered in Parliament yesterday by the Minister of Social Welfare and Pensions, Sen Van der Spuy — not to raise the free income level of the means test in respect of social pensioners.

"It will come as a grave disappointment to the thousands of people living on fixed incomes," Dr Boraine said.

"The means test is itself a highly controversial issue, but what is beyond dispute is that the last time the level was fixed was in 1972.

"In the last six years the erosiion of money has been so severe that the rand of 1972 is today only worth about 40c.

"Thousands of people who are deserving of a pension are denied this because of the Government's refusal to bring the means test into line with the cost of living.

"However, there is still time for the Government to change its mind before Budget Day.

"I call upon the Minister of Finance not only to review pensions, but also to revise the means test in light of the spiralling inflation which is causing heartache to thousands of senior citizens in South Africa."

In Parliament Sen Van der Spuy replied tersely: "The means test is reviewed regularly. The free income level will, however, not be raised this year as the necessary funds for such a step are not available." — PC.

GOOD NEWS FOR GERTIE . . .

LEFT: Mrs. Gertie Fourie (58) — a destitute woman on the roadside in January and (right) yesterday receiving a bunch of flowers from Councillor Cornelius Koekemoer after she learnt she was going to live in an old-age home.

State pays for her (300) new home

Mercury Reporter

A WOMAN, who was to have been committed as a vagrant, walked happily from the Durban Magistrate's Court yesterday having been told she would be going to a Port Elizabeth old-age home at the State's expense.

Mrs. Gertie Fourie (58) first came into the news in January when her piercing screams awoke residents on the Esplanade, where she had spent the night. Her legs appeared badly burnt and she was unable to walk.

Last month she was knocked down by a motorist and taken to Councillor Cornelius Koekemoer, who is leading the campaign to rid Durban of its hobos.

He took her to the Maranatha Mission run by Mr. Quinton Fatooros for destitute men and then started proceedings to have her committed to a rehabilitation centre.

Yesterday she appeared for the third time before Mr. B. J. Olivier, in camera. Following a report by a Department of Social Welfare social worker and a psychaitrist, she agreed to go voluntarily to a Government old-age home in Port Elizabeth where she will be accommodated free.

"I am very happy," said Mrs. Fourie after the hearing.

She said she wanted to thank Mr. Koekemoer, Mr. Fatooros and everyone who had helped her. She was no longer drinking methylated spirits and was feeling much better.

"With a little love and concern she has rehabilitated herself and now there is no need for her to go to a treatment centre. It just needed someone to get involved," said Mr. Koekemoer.

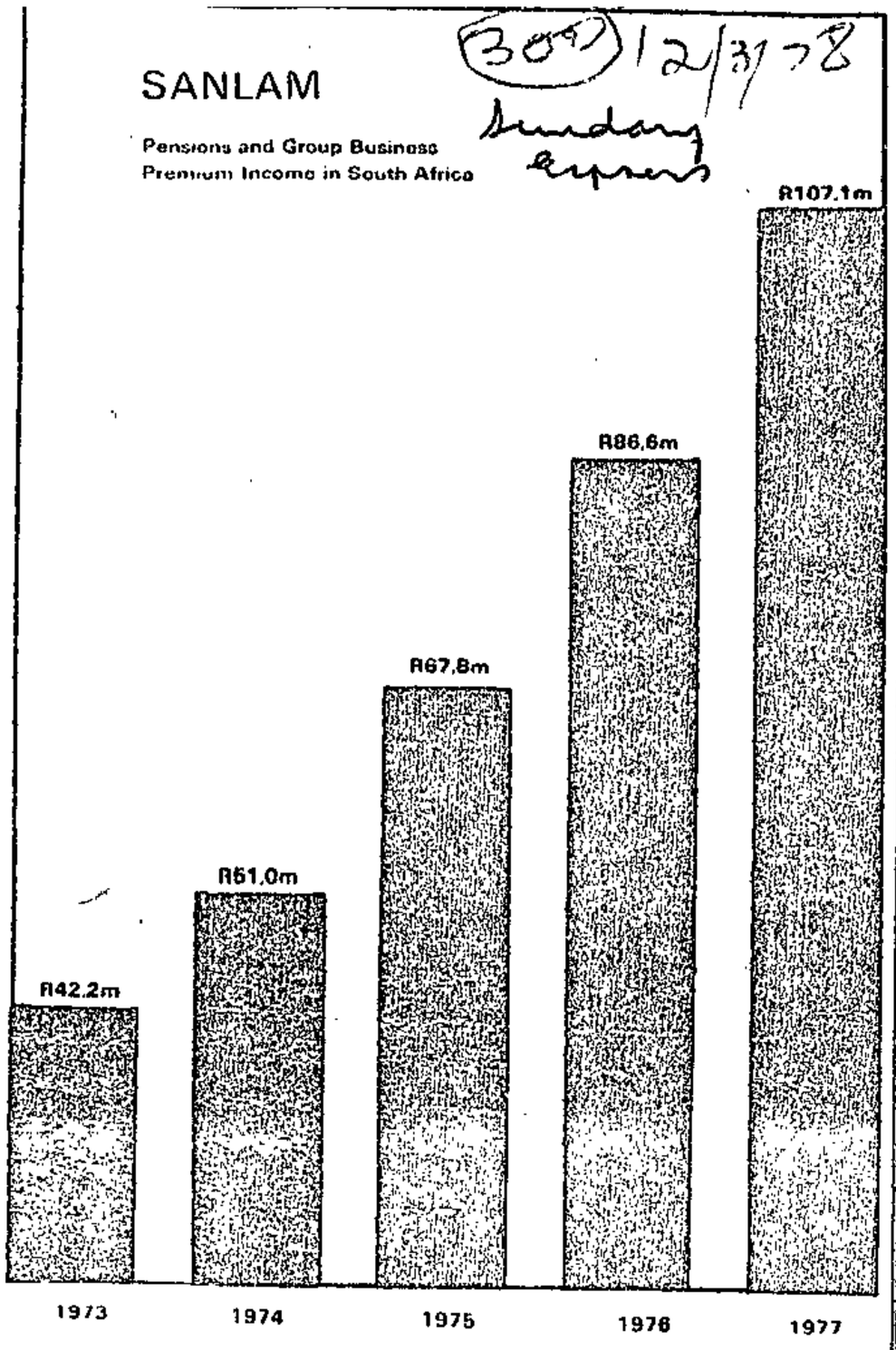
"The improvement in her is incredible and in my 29 years of civic life, I count this is my single greatest achievement.

"She has proved that the effort is worth it and I would willingly do it again provided the person wants to be helped. But for the won't-works, there must be a by-law so the police can act. They should go to work colonies.

"Many of the men at Maranatha are off drink and desperately need jobs so they can prove themselves."

He would be reporting back to his sub-committee on hobos and sending a report direct to the Minister of Social Welfare.

"We still need a centre where people can make contact and go after rehabilitation. And it is the State's responsibility and not the City Council's," said Mr. Koekemoer.



Sanlam's share of pension and life business keeps growing

SOUTH Africa's number one assurer, Sanlam, has for several years now received more pension and group life premiums than any other assurer.

According to the group's assistant general manager, Jan Snyman, "The growth in our group business is very clearly demonstrated by the fact that three years ago, pension and group life premiums were only 30% of Sanlam's total premium income."

"In the course of the last number of years they have made a significant contribution to our achievements."

As a mutual assurer, Sanlam is well-equipped to serve pension funds at competitive rates and in recent years for example, there has been a substantial increase in the number of privately managed pension funds which have entrusted their investment function to Sanlam.

Premium income from pensions and groups amounted to R107-m for the year to September 30, which represented 43% of the group's total premium income of R251-m.

Snyman continued: "Various reasons may account for our continued rate of growth but essentially it is our ability to offer our clients better services than our rivals can.

"In the South African market there are pension brokers and consultants rendering extremely valuable services to clients in a most complex and competitive industry. We have developed a pattern of co-operation with them which undoubtedly is synergistic in providing the best product and services at our disposal to the client.

Snyman pointed out that in recent years, the investment results of pension fund assets have been under close scrutiny. "It has begun to be realised that a slight increase in investment yield in the long-term can drastically affect the cost of pension provision.

"An increase of 1% in the investment income of equal instalments can reduce the cost by approximately 20% over a period of 30 years. Market surveys show that our investment results compare very favourably with those achieved by other pension funds and organisations."

Snyman said that Sanlam under its group and pension funds, currently provides cover of almost R6 000-m to more than 380 000 employees belonging to around 1 400 funds and schemes.

Bill to solve pension problem

Parliamentary Staff

CAPE TOWN — A parliamentary Bill providing for pensions to continue being paid to South African citizens living in areas "no longer forming part of the Republic" has been published.

The Pension Laws Amendment Bill brings Indians within the scope of these provisions for the first time.

This, according to officials of the Department of Social Welfare and Pensions, follows the independence of Bophuthatswana. Until then, only whites and coloureds living in the Transkei had been affected.

However, Bophuthatswana does contain Indians with South African citizenship.

The Bill also provides for continuing pensions in other territories which might take independence.

15. Aantal afhanklikes (gesinslede o[illegible]nders vir wie werker moet sorg)

	1	4	5	6
(a)	Name (eerste name alleenlik)			
(b)	Verwantskap aan werker			
(c)	Ouderdom			
(d)	Geslag			
(e)	Woonplek			
(f)	Skooljare voltooi			
(g)	Nou op skool?			
(h)	Skool (naam, soort, distrik en afstand van plaas)			
(i)	Werk wat vir boer gedoen word (b.v. gedurende skool vakansies)			
(j)	Jaarlikse tydperk gewerk (dae of weke)			
(k)	Jaarlikse betaling: kontant			
	ander			

Pensions go up all round

Star 30/3/78

300

HOUSE OF ASSEMBLY—White, coloured and Indian, and black social pensioners will receive an additional R9, R5,25 and R3,25 a month with effect from October 1.

The Budget also provided for settlers' allowances to be increased by R9 a month, parents' allowances to be increased by R9, R5,25 and R3,25 a month in the case of whites, coloureds and Indians and blacks, and for maintenance grants and family allowances for whites to be increased by R2,50 a month a child.

Allowances payable for children of settlers are to be increased by R2,50 a month a child, and maintenance grants are to be increased by R1,25 and 65c a month a child in the case of coloureds and Indians, and blacks.

Maintenance grants payable by the Department of Health to people detained in single care or in licensed institutions are to be increased by R9, R5,25 and R3,25 a month. — Sapa.

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Dagsmanne: kontant ander: hoeveelheid

waarde aan boer

waarde aan skeerder

13. Hoe word die betalings bepaal?

300 B9/3/18 Natal Mercury

Pensions up for new tax

SENATOR Owen Horwood announced that pensions and other social benefits would be increased by R88 million a year, of which R56 million was to be spent during the current financial year.

He said that over and above the regular adjustments to social benefits – an additional non-recurrent amount of R10 million would be paid to pensioners and others receiving social benefits on a basis of equity. This was being done to offset the effect of the new general sales tax.

Social pensions would be increased from October 1 by R9 a month for Whites, with corresponding increases for the other population groups.

Handicapped

He said there would be marked improvements in the subsidisation of homes for the aged, handicapped and children's homes, and the subsidisation of welfare organisations would be done on a new basis – which could result in some of these organisations improving their positions by about 40 percent.

An effort was being made to narrow the pension gap

Pensions

among ex-servicemen of the various population groups. From April 1 all consolidated military pensions would be increased by 12,5 percent in the case of Whites, 25 percent in the case of Coloureds and Indians and 37,5 percent in the case of Blacks.

Civil pensions would be increased by 5 percent with a minimum increase of R15,00 a month from April 1, he said.

Accrue

An additional increase of 10 percent would be paid to certain civil pensioners. This would accrue to those who did not benefit fully from the improvements brought about in recent years in respect of benefits payable in terms of certain Government pension schemes. The Pension Funds or schemes concerned would defray the additional costs.

The Government would also endeavour to arrange for the payment of the concessions to civil pensioners, which would become effective on April 1, as early as May 2. – (Sapa.)

1K English text.

300

STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

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VOL. 153] KAAPSTAD, 31 MAART 1978 [No. 5965
CAPE TOWN, 31 MARCH 1978

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 679. 31 Maart 1978.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 40 van 1978: Wysigingswet op die Pensioenwette, 1978.

DEPARTMENT OF THE PRIME MINISTER

No. 679. 31 March 1978.

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

No. 40 of 1978: Pension Laws Amendment Act, 1978.

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 Associated Institutions Pension Fund Act, 1963, in order to extend the definition of "associated institution"; and to provide for the declaration of certain companies to be associated institutions; to amend section 16 of the Second Pension Laws Amendment Act, 1974, in order to apply the provisions thereof to certain employees of the Government seconded for service to local authorities in a country or area no longer forming part of the Republic; and to amend the definition of "fixed date"; to amend section 10 of the Pension Laws Amendment Act, 1975, in order to extend the provisions relating to the preservation of pension rights to certain persons appointed, nominated or elected as members of or in the service of the governments or legislative bodies of certain countries; to amend section 8 of the Pension Laws Amendment Act, 1976, in order to apply the provisions thereof to Indians; to regulate the continuation of the pension rights of certain persons leaving the service of the Council for Scientific and Industrial Research; to regulate the retirement benefits of certain members of the staff of certain universities discharged in certain circumstances; and to provide for matters connected therewith.

(Afrikaans text signed by the State President.)
(Assented to 30 March 1978.)

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

1. Section 1 of the Associated Institutions Pension Fund Act, 1963 (hereinafter referred to as the principal Act), is hereby amended by the substitution for paragraph *(h)* of the definition of "associated institution" of the following paragraph: Amendment of section 1 of Act 41 of 1963, as amended by section 18 of Act 50 of 1973.

"*(h)* any other institution, organization or body established by or under any law, including any company incorporated in terms of the laws relating to companies, which, in terms of section 4, is declared by the Minister to be an associated institution for the purposes of this Act;".

2. Section 4 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection: Amendment of section 4 of Act 41 of 1963, as amended by section 15 of Act 91 of 1967.

"(1) The Minister may, after consultation with the Minister of Finance, by notice in the *Gazette* declare any institution, organization or body established by or under any law, including any company incorporated in terms of the

laws relating to companies, which is not an associated institution, to be such an institution as from a date specified in such notice.''.

Substitution of section 5 of Act 41 of 1963

3. The following section is hereby substituted for section 5 of the principal Act:

"Date deemed to be specified date in relation to certain institutions, etc.

5. Whenever any institution, organization, **[or]** body or company becomes an associated institution on a date after the date specified in the regulations as the date of the establishment of the fund, such first-mentioned date shall in relation to such institution, organization, **[or]** body or company and any person in the service thereof, be deemed to be the specified date for the purposes of this Act.''.

Amendment of section 16 of Act 77 of 1974, as amended by section 7 of Act 50 of 1975 and section 4 of Act 83 of 1976.

4. Section 16 of the Second Pension Laws Amendment Act, 1974, is hereby amended—

(a) by the substitution for subsection (3B) of the following subsection:

''(3B) If any person who was in the employ of a local authority, without a break in his service or after such a break in his service as the Secretary for Social Welfare and Pensions may approve, becomes a member of **[the Government Service Pension Fund]** a pension fund administered in terms of any law by or under the control of the Minister and is seconded for service to a local authority in a country or area which, immediately prior to **[the commencement of this section]** 1 July 1973, was a part of the Republic, the Minister, in consultation with the Minister of Finance, may declare that the provisions of this section shall apply with reference to such person, and such provisions shall thereupon *mutatis mutandis* apply with reference to such person as if a take-over referred to in subsection (1) took place on the date on which he was so seconded for service and such person is an affected officer and such date is the fixed date referred to in subsection (4).'';

(b) by the substitution in subsection (4) for the definition of ''fixed date'' of the following definition:

'''fixed date' means the date on which any undertaking or activity of a local authority or any power or function of a local authority in connection with the provision of any service or the administration of any area is taken over as contemplated in subsection (1) or ceases to be controlled, exercised or performed by a local authority or the date on which a person in the service of a local authority, with a view to such take-over and with the approval of the Minister, is appointed in the service of the Government;''.

Amendment of section 10 of Act 50 of 1975.

5. Section 10 of the Pension Laws Amendment Act, 1975, is hereby amended by the substitution for subsection (1) of the following subsection:

''(1) If a member of a pension fund is, before attaining the age at which he would have the right to retire on pension, appointed, **[or]** nominated or elected **[by the State President or a Minister referred to in section 20 of the Republic of South Africa Constitution Act, 1961 (Act No. 32 of 1961)]** without a break in his service or after such break in his service as the Secretary for Social Welfare and Pensions may approve, as a member or in the service of any board, institution, establishment or body established by or

under any law, or of a government or legislative body of a country or area in Africa in respect of which Parliament has previously exercised legislative powers, and the said Secretary deems it expedient that his pensionable service as such member [**is not in terms of any law required to be or capable of being reckoned as pensionable service for the purposes of any other pension fund of which he may become a member by virtue of such appointment or nomination**] should be retained for him, the said Secretary [**of Social Welfare and Pensions**] may, in his discretion, declare such member a dormant member of such [**first-mentioned**] pension fund with effect from the date on which he has been so appointed, [**or**] nominated or elected.''.

Amendment of section 8 of Act 83 of 1976.

6. Section 8 of the Pension Laws Amendment Act, 1976, is hereby amended—

(a) by the substitution in subsection (1) for all the words preceding paragraph *(a)* of the following words:

''(1) For the purposes of any law relating to social pensions in the case of a White person or a Coloured person who is a South African citizen or an Indian who immediately prior to 26 October 1976 complied with all the requirements of such law relating to citizenship or residence in the Republic, and who is resident in a country or area which, immediately prior to [**the commencement of this section**] such date, was a part of the Republic and which has been designated by the Minister of Social Welfare and Pensions by notice in the *Gazette* for the purposes of this section—'';

(b) by the substitution for paragraph *(b)* of subsection (1) of the following paragraph:

''*(b)* any application for a pension or grant by such person in terms of such a law, which has been submitted to the Secretary for Social Welfare and Pensions or the Secretary for Coloured, Rehoboth and Nama Relations or the Secretary for Indian Affairs, as the case may be, shall be deemed to have been submitted to a district pension officer;'';

(c) by the insertion after paragraph *(a)* of subsection (2) of the following paragraph:

''*(a*A) 'Indian' means a person classified as a member of the Indian group in terms of the Population Registration Act, 1950;''.

Continuation of pension rights and obligations of, and relating to, certain employees of the Council for Scientific and Industrial Research.

7. (1) If any person who immediately before the commencement of this section was a contributor to the Associated Institutions Pension Fund established by the regulations promulgated under section 2 of the principal Act, in terms of section 4A*ter* (1) of the Armaments Development and Production Act, 1968 (Act No. 57 of 1968), becomes an employee of the corporation established by section 2, or a subsidiary company as defined in section 1, of the last-mentioned Act—

(a) such person shall be deemed to remain, without a break in his service, a member of the pension fund of which he so was a member and the provisions of any law relating to such pension fund shall continue to apply in respect of him as long as he so remains a member of such pension fund;

(b) such person shall, notwithstanding anything to the contrary in any law contained, not be entitled to the payment of any benefit from such pension fund or otherwise by virtue of the termination of his service in terms of the said section 4A*ter* (1);

(c) such corporation shall, in relation to such person, with effect from the date of such commencement, be subject to the provisions referred to in paragraph *(a)* to which the

Council for Scientific and Industrial Research referred to in section 2 of the Scientific Research Council Act, 1962 (Act No. 32 of 1962), would have been subject if the Armaments Development and Production Amendment Act, 1978, had not been passed and such person had remained in the service of the said Council for Scientific and Industrial Research.

Pension benefits of members of the staff of certain universities discharged in certain circumstances.

8. (1) If any person who is a member of the pension fund and who holds a post on the fixed establishment of any university, is in terms of a provision of any law discharged from such post by such university before attaining the age at which he would have the right to retire on pension, for the sole purpose of appointing a member of a national unit served by such university to such post, and such person, in the opinion of the Secretary for Social Welfare and Pensions, is unlikely to be appointed in any service or to assume any duty, within a period of six months after being so discharged, in terms of which he will be obliged to contribute to the pension fund or the Government Service Pension Fund established by section 3 of the Government Service Pension Act, 1973 (Act No. 57 of 1973), such person shall, for the purposes of the regulations, be deemed to be discharged from his service on attaining the age at which he would have the right to retire on pension, with effect from the date on which his discharge from the said post comes into force, and in calculating any annuity or gratuity to which he is entitled in terms of the said regulations, there shall be added to his pensionable service in terms of the said regulations a period equal to one third of his pensionable service or a period equal to the period between the date on which he is so discharged and the date on which he will attain the age at which he may retire in terms of the provisions of any law then applicable to him, whichever is the shorter period: Provided that no period which has been so added to his pensionable service shall exceed five years.

(2) If any person who is a member of the pension fund, is deemed to have retired on pension in terms of subsection (1), there shall be recovered from time to time from the university in question the amount—

(a) of any annuity paid in terms of the regulations to or in respect of such member in respect of any period within the period between the date of such retirement and the day immediately following the date on which he attains the age at which he is entitled to retire from service or, if he dies before the last-mentioned date, the date on which he would have attained the said age if he had not died;

(b) by which any benefit paid in terms of the regulations is increased by reason of any addition of his pensionable service in terms of subsection (1).

(3) For the purposes of this section—

(a) "national unit" means a national unit referred to in section 2 (1) of the Promotion of Bantu Self-government Act, 1959 (Act No. 46 of 1959);

(b) "the pension fund" means the Associated Institutions Pension Fund established in terms of the regulations;

(c) "the regulations" means the regulations promulgated in terms of the principal Act;

(d) "university" means a university established by the University of Fort Hare Act, 1969 (Act No. 40 of 1969), the University of Zululand Act, 1969 (Act No. 43 of 1969), the University of the North Act, 1969 (Act No. 47 of 1969), and the Medical University of Southern Africa Act, 1976 (Act No. 78 of 1976).

Commencement of certain provisions.

9. The provisions of—

(a) sections 1, 2 and 3 shall be deemed to have come into operation on 10 May 1963;

(b) section 4 shall be deemed to have come into operation on 1 July 1973;

(c) section 5 shall be deemed to have come into operation on 1 April 1975;

(d) section 6 shall be deemed to have come into operation on 26 October 1976;

(e) section 7 shall come into operation on the date on which the Armaments Development and Production Amendment Act, 1978, comes into operation.

Short title.

10. This Act shall be called the Pension Laws Amendment Act, 1978.

Star
5/4/78
300

Equal pensions for all

Labour Reporter

The South African Jewish Board of Deputies has created equal opportunities and pension privileges for all races in its employ and has encouraged its 345 affiliated bodies to do likewise.

This was announced in Johannesburg yesterday as the board handed the R5 000 profit from its last film festival to the Urban Foundation on the eve of another film festival.

Mr Nathan Mendelow, the board's chairman of community services, said there were vast untapped resources of goodwill in South Africa, waiting to be scattered on all inhabitants, and no organisation was doing more in this regard than the Urban Foundation.

"Because of organisations like the foundation there is indeed still much hope for all in South Africa," Mr Mendelow said.

The foundation's executive director, Mr Justice Jan Steyn, said the foundation had spent R2,7-million on 70 projects in the past nine months to improve the quality of life in urban communities.

Pensioners may pay tax

Own Correspondent

CAPE TOWN — Senator Horwood's budgetary relief for pensioners could actually end up with some of them paying tax.

Mr Geoff Oldfield, New Republic Party MP for Umbilo, pointed out today that because of failure to adjust the tax tables, married couples aged more than 60 and with no income other than their pensions will fall into the taxable category.

"He has given them R9 a month each extra, which brings their monthly pensions up to R88 each. This means a total combined income of R2 112 a year for them — and at R1 900 a year they become liable for tax.

"The only pensions which are not taxable are war veterans,' was disability and miners' disease."

He said the Minister of Finance should rectify this either by making all pensions non-taxable or by raising the tax abatement which at present stands at R700.

Pensioners may escape the rent increases

Star 7/4/78 300

Frank Jeans

Pensioners and other lower income earners are unlikely to be affected by the scrapping of rent control.

Because of a 20 percent flat vacancy factor in the centre of Johannesburg, for example, landlords are finding it difficult to fill blocks even at existing rent-control prices.

The abolition of control might also give a spurt to the sectional title sector of the property market.

At the top end of the flat market, tenants may find themselves in a position of getting notice from landlords, so that they can sell to give a better capital return.

A voice of dissent over the move came from Mr Alf Widman, MP for Hillbrow.

"I am implacably opposed to any tampering with the Rents Act unless more than adequate safeguards are provided for the protection of tenants.

(300) 7/4/78

sioners receive an extra R5,25, so the maximum for them will be R47,75 from October.

The absolute gap between white and African pensions goes up from R58,50 last year to R64,25. Expressed as a ratio, the gap has narrowed marginally, from 3,85:1 last year to 3,71:1 this year.

African pensioners suffer from discrimination in other ways too. They are the only group whose pensions are paid every second month instead of monthly. The hardship caused by the delay is often aggravated by bureaucratic holdups. A spokesman at the Plural Relations and Development (Prad) offices in Johannesburg claims that the ever increasing work-load causes the delay.

This year's budget apparently leaves the means test for all race groups unchanged. Pensions are reduced progressively if income received from other independent sources exceeds a fixed amount.

Whites are allowed up to R42 "free income," whereas Africans cannot exceed R10,50. Indians and coloured people are allowed R21. In addition, in rural areas, if any livestock or agricultural produce is owned by a pensioner, it is assumed to yield a fixed return — whether or not it actually does so. In 1976, a cow's yield was reckoned at R8 a year, for example.

Even the small amounts to which African pensioners are legally entitled are often out of reach. "The system is misused or bent by officialdom, and often severe hardships are inflicted on black pensioners," says the Black Sash's Janet Sahli.

The difficulty in establishing one's age is one of the major stumbling blocks for Africans applying for pensions. If no documentary evidence is available, the district pensions officer is empowered to determine an applicant's age "according to his appearance or according to any other evidence available."

The Sash reports numerous cases of people being told that they are too young for pensions — despite claims, in some instances, that they were born in the last century.

SOCIAL PENSIONS (300)

A bigger pittance FM 7/4/78

Budget day last week brought little comfort to old people who have to rely on the State for pensions because they do not get them from any other source.

Finance Minister Owen Horwood did make an "extraordinary additional appropriation" of R10m in the "realisation that the aged and the needy will also henceforth be liable for payment of the new sales tax." But pensions remain very small.

White social pensions go up in October by R9, raising the maximum white old-age pension from R79 to R88 a month. But the 11% increase will do little more than keep old people abreast of the rising cost of living.

Africans fare even worse. The extra R3,25 allocated to them pushes the maximum old-age pension up to no more than R23,75. Indian and coloured pen-

HANSARD 9 4 April 1978
Question 18 cols. 578 & 579.

300

Three year establishment programme

During the first ye... on does all the
stocking and sampli... ks and then the
rate of feeding is ... During the second
year of production ... he fingerlings
supplied. During t... y for the finger-
lings, the fertilis...

We sell the fish at ... e big enough to
sell, they are sold ... ut 60c per lkg
live/weight. Each ... man to be in
charge of the daily ... ilising once a
week, general contr...

Fisheries Committees

In each village ther... This committee is
chosen by the villag... for all the fisheries
activities. We work ... them when the fish
should be fed and so ... the fish is put
into a bank account. ...e how much the input
cost was, and the co... ...ies Section.

At least, this is dc... work very well in
practice. The syste... villagers are some-
times reluctant to p... echnical advice.

Involvement of the v...

The villagers have t... to send the staff
from here quite far, ... Now most villages
(but not all) are dc... is a good thing
not only because it ... :reases the villagers'
involvement in the f...

Ideally, the village ... ...y for the fish
ponds after 3 years. But that is not likely to happen since people don't have the education to work out things like stocking rates, feeding rates, etc. We hope to get to that stage eventually but it will require a lot of training.

Social pensions for immigrants

*18. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

Whether his Department has an agreement with the Department of Immigration concerning applications for social pensions in respect of immigrants who have been resident for more than five years in the Republic; if so, what are the terms of the agreement.

†The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS:

Yes.
Attention is invited to the provisions of section 4(3)(e) of the Aliens Act, 1937

579 FRIDAY, 7

(Act No. 1 of 1937), which provides, *inter alia*, that no permit to enter the Republic shall be issued in terms of that section to any person who is the parent of a person permanently and lawfully resident in the Republic unless the lastmentioned person (hereinafter referred to as the sponsor) is able and undertakes to maintain such person. In order to comply with the aforesaid provisions, it is customary to obtain a written agreement from the sponsor to the effect that he will provide his parent with the necessary board and lodging and maintain him continuously while resident in the Republic so that he will not become a burden to the State.

As it was considered that the purpose of such agreements might be defeated if my Department were to grant social pensions in such cases and as the Department of Immigration is better acquainted with the circumstances of the sponsors it was considered advisable to obtain in appropriate cases, that Department's views.

In those cases where the agreements have become impossible of performance as a result of the death of the sponsor or otherwise, the pension was granted if the applicant was otherwise entitled to such a pension.

It would, however, appear that in those cases where the agreement was considered still possible of performance, the applications for social pensions were refused. This would appear to be an incorrect view of the legal principles involved and steps have been taken to rectify the matter.

NM 19/4/28

300

Extra pension relief

Political Correspondent

CAPE TOWN — Certain mine pensioners are to receive extra relief following representations to the former Minister of Social Welfare and Pensions, Mr. Johan van der Spuy, by the leader of the New Republic Party, Mr. Vause Raw.

He said yesterday that the Minister of Mines, Mr. Fanie Botha, and the Minister of Social Welfare, had agreed "to allow certain mine pensioners to waive increases to their pensions which placed them above the means test."

"This will allow their old age pensions which were cancelled as a result of the last increases to be reinstated," said Mr. Raw.

Applications to waive the increases would have to be made individually.

Mr. Raw said the provision would apply only to those receiving benefits under the Government-controlled "Compensation Fund for Mines and Works."

NEST-EGGS FOR OLD AGE

300 FM 21/4/78

In the trains many old men relate woeful tales of how, after many years of faithful service to their employers, they have been discharged with a pat on the shoulder, a gold watch and 'a lousy R100' — Woody Mangupu, *The Star*, August 28 1976.

There has been a definite increase in the number of employers providing retirement benefits for their black workers. But appearances are deceptive. In actual practice, very few unskilled and semi-skilled black workers draw a pension when they retire — even if they are members of pension schemes.

"There was a phenomenal upsurge between 1972 and 1975 in the number of blacks included in pension schemes," Richard Knowles, director of Benefit Planning Consultants (BPC), tells the *FM*. "This has fallen off slightly — partly due to the recession — but the movement towards greater benefits for black workers continues."

BPC believes that probably not less than 25% of economically active blacks are now members of pension plans, and that nearly 40% of total fund membership is black. A BPC survey of 500 registered pension schemes showed that 48 provided benefits for black employees for the first time in 1976.

Foreign firms

BPC found no evidence that foreign firms in SA were leading the black pension field.

Many thorns are hidden behind the roses. The contract often includes a restriction to salaried employees, cutting out all weekly or hourly paid workers — the majority of whom are usually black. Or there might be a continuous service stipulation, which effectively excludes migrants, who are legally obliged to terminate their contracts every year.

Even if he is allowed into a pension scheme, a black worker often still reaches retirement age with no money to keep the wolves at bay. One of the major reasons is the high job mobility among black semi- and unskilled workers. Broken service usually disqualifies a pension fund member from obtaining benefits, and the employee's own contribution plus whatever interest it has accumulated, are returned to him when he resigns. This in turn effectively encourages mobility.

"Blacks often resign with the express purpose of obtaining the money, to cover some short term need," Iaan van Heerden, manager of marketing of Old Mutual's group pension plan, tells the *FM*.

Furthermore, Van Heerden points out, manual labourers very rarely have the strength to continue working right up to retirement age. And early retirement provisions seldom ensure that the pension of such a worker remains in force until he is entitled to the benefits. He merely gets back his contributions when he resigns.

"Pension schemes must be made to fit the express needs of black semi-skilled and unskilled workers," contends Van Heerden. "Conventional schemes often don't fit the bill."

Many firms overlook the need to design schemes to cater for the peculiar disabilities under which blacks suffer — often because the firms fear that differential schemes for blacks and whites will be stigmatised as discriminatory.

Old Mutual's group pension plan, started in 1976, claims to provide solutions to some of these problems. It has a centralised fund which ties the benefit to the individual worker rather than to his employer. An individual account, rather like a savings account, is opened for every worker. So he remains entitled to his pension fund benefits (including the employer's contribution) should he change his job.

The scheme has got off to a slow start, however. Employers are often unhappy about losing their contributions when black employees leave their service. Others are reluctant to accept what appears to be a new and untried concept. And, of course, the economic recession has played a major role in making employers unwilling to undertake greater commitments.

Nevertheless, employers are under a moral obligation to provide pensions for black as well as for white workers. Moreover, the breakdown in family ties and the social disruption brought about by the migrant labour system have caused an increasing awareness among blacks of the neeed for adequate social security. Says Nic Nel, MD of SA Financial Evaluation Services, "A decent pension should be regarded as a right, not a privilege."

And obviously, it is in the interests of employers to stabilize their work forces.

Question-mark

A question-mark against the Old Mutual plan is that it is a "money purchase" scheme — ie the pension is determined by the amount in the member's account and his age at retirement, and is unrelated to his final salary. However, a final salary scheme, it could be argued, would be unrealistic for migrant and other mobile workers, since such schemes are dependent on continuous service with one employer. In cases where a black worker is likely to remain in the same job until retirement, final salary-related benefits can be provided under the Old Mutual plan.

"Our plan assures a worker of some benefit at least," says Van Heerden. "It might not be optimal, but is a realistic attempt to solve a problem so often sidestepped."

"Moreover," adds Knowles, "although we do not usually advocate money purchase schemes, employers must be aware that black salary scales are increasing so quickly that a final salary scheme may severely overburden the employer, as contributions will have to rise with the increasing liabilities of the fund."

300

Hansard 11 21 April 1978
Question 560 Cols. 683 & 684.

Public Service pensioners

560. Mr. H. E. J. VAN RENSBURG asked the Minister of Social Welfare and Pensions:

(1) How many Public Service pensioners were there in 1968 prior to the introduction of the new formula;

(2) what was (a) the total amount in pensions paid to Public Service pensioners in 1968 and 1977, respectively, and (b) the amount paid from the State Revenue Fund in respect of such pensions in each such year;

(3) (a) how many pre-1968 Public Service pensioners are there at present and (b) what was the total amount in pensions paid to them in 1977.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) 19 143 This number does not include the pensioners of the four provinces and the territory of South West Africa. Statistics relating to such pensioners are not readily available in respect of 1968. It is not clear to which formula the hon. member is referring. It is, however, for the purposes of this reply assumed that he has in mind the

tion of the average salary of members from 7 years to 4 years.

(2) (a) 1968 R 16 463 429 as at 31.3.68
1977 R121 422 036 as at 31.3.77

(b) 1968 R7 405 000 as at 31.3.68
1977 R4 900 386 as at 31.3.77

(3) (a) 20 692 This number includes the pensioners of the four provinces and of the territory of South West Africa. The pension funds of which they were members in 1968 have in the meantime been amalgamated under control of the Central Government. This also explains why the number of pensioners are now more than that mentioned in (1).

(b) R39 228 684.

Star 24/4/79 (300)

Compulsory pensions predicted

Garth Hewitt

Legislation making pension contributions compulsory is expected within the next two years, according to one of the country's leading insurance groups, Liberty Life Association of Africa.

The forecast was made by Mr Monty Hilkowitz, Liberty Life's general manager (sales and marketing) to a conference on International Employee Benefits in New York.

The impending legislation, he said, was seen as a result of the Government's threat, in 1976, to step in and create a compulsory state pension fund.

The Star's Political Staff in Cape Town reported that a spokesman for the Department of Social Welfare and Pensions said today that no definite decision on a compulsory pension scheme had yet been taken and he did not think any definite announcement would be made this year.

Legislation forecast by Mr Hilkowitz included:

- Compulsory minimum pension contributions of 10 percent of earnings for salaries above R1 200 a year. Self-employed people would pay their contributions into retirement annuity funds.
- The compulsory preservation of pension rights. When switching jobs an individual's accumulated pension moneys would be transferred either to his new employer's pension fund or into a retirement annuity fund.

The Star
Monday April 24 1978

300

National pensions are overdue

WHAT South Africa needs, for many reasons, is a compulsory national scheme to provide pensions for all workers in this country—as a right, not as a privilege or an act of grace—and without any discrimination whatsoever.

At present there is no compulsion for employers of labour in the private sector to establish pension funds and although most companies of standing have set up funds which give old age security to their employees, hundreds of thousands of workers are not covered. In addition, as most schemes are closed shop operations, pensions are not transferable. The result is that at retirement thousands of pensioners receive pittances which cannot sustain them when they grow old.

A year or two ago the Social Welfare Department, aware of the shortcomings of present schemes drafted a plan for a compulsory national pension plan. But with more enthusiasm than practical knowledge, the officials proposed a pay-as-you-go, unfunded scheme which was more starry-eyed than realistic; it would have resulted in the youth of tomorrow paying an ever-increasing bill to support yesterday's workers.

Led by the insurance industry, criticism against the department's proposals resulted in the original plan being shelved. But it served its purpose: it brought insurance men and Government officials together to discuss plans which are feasible and desirable. It would now seem that the launching of a scheme, which would not involve doing away with present pension programmes but incorporating them, will not be too-long delayed.

The important difference in the plans is that pensions will continue to be funded on a practical and realistic basis and that pension rights will be transferable from one fund to another so that workers' benefits will appreciate over their working years and not be dissipated when a person changes jobs.

It is noteworthy that the pension scheme will really be national and not discriminatory, although the proposed limit of R1 200 for entry into the scheme is an unnecessary barrier. The lower-paid elements in our society are entitled to protection; their need is perhaps greater than those in upper income brackets. These people must be given a stake in the future. And a stake in the future is not only their insurance; it is insurance for the rest of the country.

300

Hansard 12 28 aprile 1978
Question S Cols 709-710

[illegible]

S. Mr. C. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) Whether his Department has received representations in regard to the recommendations contained in the report of the investigation into the possible establishment of a contributory pension scheme; if so, (a) from whom and (b) what was the nature of the representations;

(2) whether he has given consideration to extending private pension schemes in preference to establishing the recom-

mended contributory [illegible] with what result.

The DEPUTY MINISTER FOR SOCIAL WELFARE AND PENSIONS:

(1) Yes.

(a) From a very wide [illegible] bodies, organizations, associations, departments and individuals. It is not practical to provide a list of all these bodies, etc.

(b) It varied from unconditional acceptance, to qualified acceptance, to complete rejection.

(2) The whole matter is still under consideration and suggestions for the extension of private pension schemes made to me will, in the normal course of events, naturally receive due consideration in conjunction with all the other suggestions received. A final decision thereanent has yet to be made.

300

Hansard 12 2 april 1978
Question 6 Col. 710 a 711.

still busy with an investigation in this regard.

Who needs a pension fund? FM 12/5/78

Sure, there's the moral obligation to the company's staff. And the need to hold on to people. But pension schemes are becoming increasingly costly

It is most unusual, these days, to advertise for staff, especially senior staff, without claiming that your pension fund is better than the next man's. And, in this context, a better pension fund is one that can offer better, and thus more costly, benefits.

Increasingly, however, the cost is becoming crippling to the company concerned. Quite apart from the scary side of *Fortune's* recent article on pension funds that are underfunded to the extent that their parent companies could almost go bust in putting them right, there is the more sober approach (*FM* April 14) that even many conservatively financed funds face potential trouble because of the effects of inflation on salary scales.

The problem is that pensions, in almost all cases, are a function of retirement salary (or the average of salary for a few years prior to retirement). With inflation, it is difficult indeed to forecast an executive's retirement year salary. So, while the vast majority of company-financed pension funds are well-managed and adequately financed so far as their liabilities to all of their staff for past service are concerned, few are truly adequately funded to cope with future inflation-boosted salary hikes.

Shareholders' dividends

In many instances, the annual cost of the pension scheme amounts to much more than the company is paying out to shareholders in dividends — to say nothing of the additional cost of "topping up" should the scheme, at some time in the future, become underfunded.

It's noteworthy that very few companies bother to tell their shareholders about this particular staffholding cost. (It might be an interesting one to trot out at the next agm of your favourite investment.)

Prescribed thinking on pension funds is, or was:

- No pension fund — no senior recruiting;
- The pension fund ties executives to the company;
- A good pension fund attracts good people.

The younger, up-and-coming executive is the one the company most needs to keep. For him, however, the mere existence of the company pension fund can prove a positive encouragement to leave.

In his early thirties, he's not concerned about what is going to happen to him when he retires in 30 years or so. With inflation rampant, what's the point of worrying? After 10 years or so in his adequately paid job, he's well aware that his pension pay out, should he leave, will amount to several thousand rands, which can be very tempting.

At the other end of the scale is the executive in his fifties. He hasn't quite reached the top, and is now unlikely to do so. The pension scheme, of course, was designed to provide him with a dignified exit at age 65 or so. But now, inflation having seen his salary up to levels that no rival firm is likely to match, he's going to hang on like grim death until he does reach pension age.

It's not merely, of course, that no other employer is willing to match his salary. It is also that, since his pension rights are not transferable, it is virtually impossible for the older man to match his pension prospects elsewhere even should he wish to leave.

So the middle-order ageing executive becomes a fixture. He is blocking promotion and thus providing even greater encouragement for the younger man to leave. And the pension fund, quite apart from costing far too much, is having just about the opposite effect from that which it was designed for.

One solution of course is quite simple. Management merely fires the unwanted executive. In the US, that is precisely what happens. But here, as in the UK, managements generally are reluctant to ditch somebody who has given years of good service to the company.

Transferability

Another, but far more difficult, solution would be to introduce transferability of pension rights. This, it is presently hoped, will be achieved in SA within the next couple of years, but it is a very complex and difficult problem which has, so far, defied the ingenuity of actuaries all over the world. The most that has been achieved is the partial transferability that now operates in the UK.

Let us indeed hope that it is achieved here — or that we achieve, at the very least, "preservability". This is far simpler and merely means that a person's pension rights are "frozen" when he leaves his job. He gets no cash, so cannot splurge it; the money represented by his accrued pension rights is either frozen in his ex-employer's fund, or transferred to a central state fund — in either case to be paid out at pension age.

Solutions these would be. But not let it be carefully noted, to the problem of the ever-rising cost of pension schemes. Either transferability or preservability would boost costs — for the main source of profit to existing funds is that they pay out to the leaver well under half of the assets that they might in future have to freeze or transfer.

3rd	27	5
Single rooms	5	225
1 Block	92	1 800
8 Blocks	736	

The discrepancy between this figure and the Board's figure of 1 336 probably arises out of the Board's exclusion of the Ground floor beds.

THE GROUND FLOOR

The long narrow corridors have rooms on either side. The corridor lights do not work. At the entrance of the flats there are two locked meeting rooms

ROM 13/5/78

300

Pay day is a sad day for hundreds

By VELELENI MASHUMI
Pretoria Bureau

HUNDREDS of pensioners who had come to collect their pay at the Mamelodi Community Centre yesterday said they had been driven away by white officials on Thursday.

When the Rand Daily Mail arrived there yesterday there were hundreds of pensioners in the centre's yard

The doors of the hall were locked by officials to keep them outside because they could not all be accommodated inside the hall, the pensioner said.

An official of the Department of Plural Relations and Development, Mr H van der Merwe, promised to refer the matter to the official responsible for such matters, Mr A van Schalkwyk.

The pensioners were not prepared to move off until they had been paid and some claimed to have been at the centre for two days.

They had spent money on transport to the centre only to be told they had to return on Monday.

Some, thinking that the "Mail" team were officials, flocked to us asking if we could help them.

Mr Johannes Mphakati, 65, said he, together with his brother-in-law, Mr Tom Ndala, 79, arrived at the centre at 6 am yesterday after having been driven away by white officials the previous day. Yesterday they could not gain entry into the hall because they were late, he said.

Mrs Lenah Matlala, 63, said: "I and my friends came to queue up on Wednesday night. We were told that we were no longer allowed to queue throughout the night because the pay-out system has been bettered. We returned to our homes only to be chased away by white officials yesterday."

When the secretary for the Mamelodi Advisory Board, Mr M W Aphane, was approached to comment on the allegations of the pensioners he said he was not in a position to say much because what he knew he got from Mr S S Kekana, a social worker in Mamelodi.

Supplement to the EP Herald and Daily Dispatch, I

Homeland citizenship not needed for pension — official

Indaba Reporter

EAST LONDON — Has anyone been telling old age pensioners in Port Elizabeth they would not get their pensions unless they had Ciskei citizenship certificates?

If anyone was told this and believed it they, he or she has been misled.

This became clear after inquiries had been made to offices of Plural Relations Commissioners this week.

It was explained homeland citizenship certificates had nothing to do with applications for pensions for blacks living in urban areas.

The inquiry arose after a Port Elizabeth pensioner, Mrs Emily Bangani, 69, of 1366, Kwazakhele, said she had been told she was getting her pension payment for the last time this week and would only get it in future if she obtained a Ciskei citizenship certificate. Mrs Bangani did not know the name of the man who told her this.

Mrs Bangani was concerned about this and was making inquiries about where she could apply for a Ciskei citizenship certificate to ensure she got her pension payment in July.

"We old people do as we are instructed and we do not ask any questions when government officials tell us what we should or should not do," Mrs Bangani said.

Name (first

Farm number

1. How did you come to this

2. Have you ever though of a city?
If yes, why don't you?

3. What sort of work (if any r do - either
on a farm or somewhere

4. What jobs would you like o?
Why?

5. If worker has not been to school: Why didn't you go to school?

If worker began but did not complete schooling: Why didn't you finish your schooling?

Problems

1. What would you most like to see changed in your working conditions? (wage, payment in kind, hours, holidays)

In your living conditions? (housing, recreational facilities)

CONCERN AT CASHED-IN PENSIONS

CAPE TOWN – Too many people are retiring without having accumulated an adequate pension, the chairman of Old Mutual, Mr. J. G. van der Horst, says in the society's pensions service report for 1977 released here.

"I believe that legislation to ensure the preservation of pension rights within the present free enterprise pension fund structure is necessary as a matter of urgency."

Most pension funds were reluctant to preserve and entrench the pension rights of an employee when he moved from one employer to another.

"The general tendency for employees to take cash refunds on withdrawal becomes even more apparent during a period of economic recession, particularly if employees are retrenched.

"It is becoming increasingly obvious that this practice is giving rise to too many people retiring without having accumulated an adequate pension during their working lifetime.

"This is clearly an unsatisfactory position which, if not checked, will have a serious effect on the socio-economic structure of the country as whole." – (Sapa.)

Hansard 18 7 June 1978
Question 632. Cols. 883

300

Yes.

(a) [illegible]

(b) [illegible]

(c) [illegible]

(d) [illegible]

The MINISTER OF INFORMATION:

In view of the specific requests by various government contacts in some of the countries concerned, and in view of South Africa's own politico-strategic position, it is not considered to be in the national interest to disclose full particulars in this regard.

PENSIONS (300) FM 9/6/78

Commutation rights in dar

Last week's announcement on the preservation of pension rights by the Minister of Social Welfare and Pensions, was widely misunderstood. His remarks on the proposed future "compulsory conversion of lump-sum benefits or certain portions of lump-sum benefits into annuities" were generally taken as referring only to the transferability of pensions.

There is no disagreement about the need for this in either the insurance industry or the business world. But, it now becomes clear, De Klerk was in fact referring to the entirely different issue of the present right to commute up to one-third of a pension entitlement into a lump sum on retirement, and the parallel right to draw a lump sum from a provident fund.

These are valuable rights and should not be tampered with. At retirement, many people use these sums to pay off mortgages so that they might live "rent-free" on their reduced pension income, or to buy an annuity. This brings with it a tax and income benefit because, whereas a pension is fully taxable, an annuity is taxable only on the interest content.

The *FM* understands, however, that it is not the minister's intention to ban lump-sum payments entirely. But it has been accepted by the industry that government has got a point, as far as provident funds are concerned. Here, the whole amount can be drawn as a lump-sum, and this is considered excessive. Even so, where the contractual obligation between a provident fund and its members provides for cash instead of a pension, interference will be resented.

Government's overall aim is to see that everyone, eventually, has a pension. So it wants to limit lump-sum payments to ensure that adequate pensions are paid, rather than lump-sums, which could be squandered.

Who knows best?

But who knows best, and what is an adequate pension? And should government decide?

At present, the discretion to grant up to one-third of total pension rights in a lump sum generally rests with the trustees of a pension fund. Normally, they are executives and employees of the company concerned. They know the people they are dealing with, and in practice the full amount is usually granted.

While the best solution would probably be to leave matters as they are, a suggestion is that government might lay down a minimum pension (perhaps somewhat above the social security level) that must be available from all sources before any commutation can take place. Maybe R2 000 a year might be a reasonable figure, though any figure agreed upon would need to be adjusted annually for inflation. Such a scheme would slightly limit the freedom of action of pension fund trustees, but it would also strengthen their hands in the few cases where commutation is genuinely undesirable.

The main point is that the government should stick to laying down a minimum pension and, since two-thirds has to be drawn in the form of a pension anyway, only those on very low income scales, or members of provident funds, would be affected.

But it should not put a limit on the total amount that may be drawn (up to one-third) in a lump sum. Not only would this be an unnecessary and unwarranted restriction on individual liberty, but it would not make good economic sense, either.

NM 16/6/78

ensioners will
hit by GST

300

Financial Editor

... pensioners when the general sales tax comes into force ... they do not know how they will meet the costs involved.

The owner of a Durban boarding house said yesterday that the pensioners who lived in her establishment drew a monthly pension of about R73. They were charged R83 for a month's accommodation. The balance was made up by pensioners' relations or friends.

"Next month we will have to charge them GST on their food and increase their overall tariff because of the effect of GST on the running costs of our business."

The increase would amount to about R5.

A pensioner told me that the tariff in her boarding house had been increased in January.

"I do not know what I will do about the GST rise which I am sure will be passed on to me."

A businessman told me that GST would give a "mighty boost" to inflation.

"It will also cause a restriction on the spending of people and this will be a serious matter for retailers."

Among questions put to the Mercury's tax answering service yesterday were the following:

• My company is completing a major engineering contract for pressure vessels which will be delivered in about six months' time. Will my client have to pay GST on the uncompleted part of the contract?

Yes.

• My daughter imports goods from Australia which are sold to local schools. Does she have to obtain a vendor's certificate?

Yes. The schools must pay tax on what they buy.

• I sell sand to builders. Do I have to charge sales tax?

Yes.

Labour

• My husband fixes floor-coverings in buildings. Does he charge sales tax on his labour?

Yes.

• A tuckshop has a turnover of more than R5 000 a year and it sells a wide range of products other than food. Does it have to charge sales tax?

Yes.

• I have a machine that dispenses cool drinks into plastic cups. How do I charge GST?

How it is done is your business but the Receiver of Revenue will require 4 percent on your total turnover.

• I distribute a free advertising sheet in which people buy advertising space. Should I pay GST.

No.

• I supply spare parts and needles for knitting machines. These are used in manufacturing operations. Should I charge GST?

Yes.

Driving

• I have a driving school. Must I charge my pupils GST?

No.

At your service...

Financial Editor

THE Natal Mercury's sales tax answering service had dealt with more than 350 questions up to noon yesterday. The service began on Monday.

Copies of the final draft of the GST Bill have been received from Cape Town with an explanatory memorandum. The Bill has jumped from 67 pages to 97 pages and includes a number of amendments. These are being studied.

Meanwhile, the Natal Mercury's answering team is in daily touch with the Receiver of Revenue, Durban, to discuss border line cases and "grey" areas in the Bill.

Changes in tax Bill affect many

Deputy Financial Editor

THERE are a large number of changes incorporated in the new Sales Tax Bill which the Mercury's tax-answering service will use from today. Major change concerns the construction industry.

Some of the new answers that emerged yesterday from questions put to us by the more than 100 callers were:

Meals at school tuckshops, canteens in works and local authorities, and meals supplied during board and lodging where an inclusive charge is made are not classified as sales.

Sales of sweets, cigarettes, minerals and groceries are subject to tax.

A person who imports religious and hobby books and sells less than R5 000 worth a year will not have to collect GST, but it will be levied on the import price plus 10 percent by the Department of Customs.

The sale of Kruger Rands, bank notes, postage stamps will be taxed when they are classified as collectors' pieces. The primary sale by a bank or post office will not be taxed.

A free-lance photographer will charge GST on the full price even though this includes his transport and labour costs. He must be registered to obtain his goods free of GST.

A broker who offers to arrange the hire of space on buildings or billboards, or in newspapers for advertising will not register for GST.

A sugar wholesaler who buys hessian bags to sell sugar in will not be charged GST on the containers which are essential for his selling the sugar. If he bought a container to ship the hessian bags of sugar in he would pay GST on the container.

A television repairman who offers a contract to repair a television set for a fixed period and for any fault will have to collect GST on the full contract price.

A fencing contractor who erects a fence on site will not have to register. The on-site criteria determines whether he registers.

An architect who supplies copies of plans to his clients as part of his building services will not collect GST.

But if he offers a blueprint service as a sideline he will collect GST.

NO TAX ESCAPE

A divorcee rang up the Mercury's tax answering service.

She asked: "My former husband pays all my tax by order of the Court. Do I have to pay general sales tax?"

The answer: "Yes."

[redacted]

[redacted]

[redacted]

Huge village plan for aged

Mercury Reporter

A R250 000 village for the aged — believed to be the biggest undertaking by any Rotary club in southern Africa, has been planned by the Germiston North Rotary Club, it was revealed at the annual conference of Rotary District 930 in Durban yesterday.

The home, to be called the Rotary Village, will have a two-fold purpose. It will provide accommodation for about 50 elderly people who will pay a minimal rent which will go towards providing income for the Protea Old Age Home for the disabled, also in Germiston.

"We were appalled by the lack of facilities for the aged in our community, and have so far raised almost R200 000 in only six months," said the club's president, Mr. Ted Walter.

SABC-TV will be devoting a complete programme to the project and Minister of Sport and Recreation — Dr. Piet Koornhof, will be the patron of the home which will be completed by June next year.

Also at the conference, the Deputy Secretary for Kwa Zulu Education, Mr. James Ndlovu, said matriculants were teaching matric classes at Kwazulu schools because of the teacher shortage.

"In fact, Black education is short of virtually everything except pupils," he said.

"We need about 3 000 additional teachers and were forced to use 1 800 unqualified teachers last year because of the shortage.

"Parents have been helping build classrooms because we need about 2 500 at various schools."

He said that in spite of contributions from many interested bodies, compulsory education in KwaZulu could not be enforced because of the shortage of funds to build teachers' training colleges and classrooms.

STATE HAS NEW PLAN FOR PENSIONS

W/C ARGUS (BUS.) 24/6/78 300

By the Financial Editor

AFTER intense opposition from the pensions and insurance industry the Government is believed to have modified its proposals for a comprehensive pension scheme for South Africans.

Now, instead of making everyone belong to a State pension fund as originally mooted, it is understood the Government will propose that everyone must belong to some form of retirement fund.

Senior insurance officials believe legislation will be introduced during the next session of Parliament which will make membership of a pension or retirement fund compulsory by 1980.

It is expected the legislation will also lay down that an amount equal to at least 10 percent of the member's income must be contributed to the pension or retirement fund.

As happens in most pension schemes today, it is expected that a substantial portion of this will be borne by the employer.

The member will not receive any benefits from his retirement fund contributions until he reaches retirement age. This is in line with the Government's intention in launching the scheme, which is to reduce the amount of funds which the Treasury has to pay out as old-age pensions.

If a person leaves his employer he will not be able to cash his pension contributions as at present.

Instead his own and his employer's contributions will be invested and made payable when he reaches retirement age. Or alternatively, all his rights can be transferred to his new employer's pension fund.

It is believed that the new scheme envisages that married women who contribute to a pension fund will also benefit only when they reach retirement age.

The Government is expected to check whether a person belongs to a retirement fund by monitoring his income tax return.

The scheme is expected to lead to many small companies without pension schemes scrambling to acquire one and, as is only to be expected, the pension and insurance industry is beginning to gear itself up for the additional business.

One of the first in the field is Liberty Life which, in a rather novel approach, is planning to use insurance brokers who have traditionally specialised in short-term insurance business as the spearhead of their campaign.

These people usually have an excellent relationship with their clients, many of whom are small businessmen, says Mr Hugo Biermann, Liberty Life's investment and pension marketing manager.

Consequently, they would seem the ideal people to handle this business.

They would, of course, be given the necessary training.

The role of the life insurance companies would be increasingly one of running pension funds.

The life insurance industry has much more expertise at its command and its pension funds are increasingly outperforming the privately-managed ones.

Many privately-managed funds are currently showing a return of only 8 percent where a good number of insurance company managed firms are showing returns of 10 percent to 11 percent — which is a great deal of money when compounded over 20 or 30 years.

The life insurance industry has been forced to improve its performance in the handling of pension funds by the nature of modern pension fund contracts. Many of these allow an employer to change his pension fund manager at a month's notice.

A promise led to poverty...

3)7)78 RD. M 300

By JUNE WOTHERSPOON

WHEN two pensioners were promised a place in an old-age home, they thought their troubles were over.

They gave up their flat and sold their furniture in anticipation.

Then the offer fell through.

Now they are penniless, desperately ill, hungry and share a single, unfurnished room in Hillbrow.

The old couple — the man, 73, is dying of cancer, his wife, 76, is 80% blind and a diabetic — had not eaten properly for days when Mr Peter Laurie, of Hillbrow House, told the Rand Daily Mail of their plight.

The couple, who do not want to be named, gave up their cosy double flat in Braamfontein, after a man who said he worked for Care of the Aged promised to get them into a home in Krugersdorp.

All they have left is a kitchen unit, a small fridge, a table and a few old photographs of their younger, healthier days.

They've had to borrow beds, cupboards and chairs from their landlady.

Mr Laurie said he had found the old gentleman wandering about the streets at 11.30 pm on Monday. "He was wearing only his pyjamas and dressing gown on an icy night and said he had not eaten for days," Mr Laurie said.

"They receive a pension of R76 a month between them, and spend R40 on rent.

"The rest pays for hospital fees for the old man, who is being treated for a huge cancerous lump the size of a paw-paw on his stomach, and for food," Mr Laurie added.

(b) I prefer Falernian wine (i.e. Falernian pleases me more)

Falernum _____ magis delectat.

(c) He gives Terentia advice about the will

_____ de testamento monet.

(d) I do not dare to give Terentia advice

_____ suadēre non audeo.

(e) Caesar came to Cicero's help

Caesar _____ subvenit.

(f) Atticus helps Cicero with money

Atticus _____ pecuniā iuvat.

(g) He cannot hurt me:

_____ nocēre non potest, but:

_____ laedere non potest.

23. A similar dative occurs with certain adjectives, e.g. amicus, inimicus, fidelis, par, invisus, similis (also with genitive).

(a) Quis amicior quam frater <u>fratri</u>

(Who is more friendly than a brother to a brother?)

(b) <u>Homini</u> fidelissimi sunt equus et canis

(The horse and the dog are most faithful to man)

(c) Ille mi par esse <u>deo</u> videtur

(He seems to me the same as a god).

The man who is Mr Somebody again

RDM 5/7/78

Man's humanity to man. That's the unusual theme of this story — the re-creation of an old man's identity. The "Mail's" Race Relations Correspondent, **BOB HITCHCOCK,** reports.

THIS is the story of Mr Nobody. A man who, for the past two years, has not officially existed. A man whose address was "no fixed abode".

Until last Monday, that is. It was then that Mr Nobody became Mr Somebody again, with the entry of his name in official registers.

It was thanks to a concerned white couple who reported the man's plight to the Rand Daily Mail, and the prompt action of Johannesburg's Coloured and Asian Affairs Department.

The re-creation of the identity of Mr Frank "Lucas" Oliphant, a 70-year-old coloured, began with a letter to the "Mail" from an Edenvale woman who wants to remain anonymous.

The letter explained that she and her husband were shocked to find that crippled Lucas Oliphant was homeless and penniless and spending the sub-zero nights in the open outside the YMCA building in Braamfontein.

They had given him sandwiches from time to time — and a blanket, a jersey, a scarf and socks, the woman said. "Couldn't the Rand Daily Mail get the old man into a home? He would surely die if left to sleep in the open much longer."

The "Mail" carried out the first phase of the rescue operation on the bitterly cold evening of Thursday, June 23.

A staff writer and photographer found Lucas Oliphant about to bed down in a murky, freezing corner in the street-level open garage of the YMCA.

His possessions, apart from the soiled and tattered clothes he was wearing, consisted of the one blanket — and a plastic bag containing socks and jersey given him by the Edenvale samaritans.

Even with the aid of a stick he could only shuffle. Arthritis had locked the right kneecap.

"How long have you been homeless?", he was asked.

"Two years," he replied. "This is my third winter under the stars."

Mr Oliphant was whisked off the streets to the home of a "Mail" staffer.

Regular hot meals for the next four days gave his ashen skin a glow it had not experienced in many months.

Slowly, over that period, Lucas Oliphant told his story, much of which has since been verified.

He says that while living on the corner of Rissik and Smit streets outside the YMCA he was helped mostly by whites, some of whom would occasionally throw him a few coins.

The police came to know him, but neither black or white patrolmen attempted to help him.

In the Second World War he was a driver with the Cape Corps. Army number: 320521. His wife died many years ago, he says.

He was in Jordan House, an old-age home in Newclare subsidised by the Rand Aid Association.

He was evicted on June 21, 1975. He claims he was told to quit the home because he was "cheeky". The home says he was "aggressive and sometimes took a drink."

He was referred to a home for alcoholics in Western

...ocabulary:

nubilum - i (neut.)
adventus - us (masc.
suavis - e
daedalus -a -um
tellus telluris (fem
summitto -ere
aequor aequoris (neu
pontus -i (masc.)

(a) Now break this sentence u
sists and write them in the sp
have to supply a verb from the
the verb of the sentence is tra

1. _____
2. _____
3. _____
4. _____

(b) Explain the case of te: __

(c) Explain the case of tibi: __

(d) Write down the adjectives t
adventum _____ flores

25. The Genitive

The standard definition of the Gen
That this definition falls short of
following examples:

Lucas Oliphant . . . feels wanted again

Township. "But I'm not an alcoholic," he insists. After a couple of months he left home to roam the streets.

Where was his pension book? Lucas Oliphant didn't know. When had he last drawn his pension? When he last saw the book — in July 1977.

Last Monday the Rand Daily Mail took the problems of homeless Lucas Oliphant to the city's Coloured and Asian Affairs Department.

The time: 10 am.

The director of the department, Dr Emile Jammine, serving his last few days in office before retirement, assigned the case to administrator-social worker Mrs H Redick-Smith.

By lunch time she had traced the whereabouts of Lucas Oliphant's pension book and persuaded the owners of a filled-to-capacity private shelter for homeless coloured men that Mr Oliphant was an emergency case.

Then she drew R20 from her department's welfare fund as an advance for his board and lodging.

By 3 pm two coloured women social workers had been despatched to pick up Lucas Oliphant at the "Mail" man's house.

An hour later the homeless old man who had suddenly become Mr Somebody was in the care of Mr and Mrs Sam Bennet, whose shelter in Bosmont's Hottentots Holland Avenue is run under the auspices of St Stephen's Congregational Church.

Meanwhile, back in the city, Mrs Redick-Smith was arranging for one of her social workers to take Mr Oliphant at a later date to the pensions section of Coloured Affairs Administration.

She explained: "His pension has not been drawn since July of last year. Usually a pension is cancelled if not drawn for six months. In Mr Oliphant's case I think there's a good argument for continuing payment of the pension without the necessity for him to re-apply for it."

Lucas Oliphant's comment: "All these people trying to help me. I can't believe it. It makes a lonely old man feel he's wanted."

No. R. 1508 21 Julie 1978

REGULASIES OPGESTEL KRAGTENS DIE WET OP MAATSKAPLIKE PENSIOENE 1973, MET BETREKKING TOT SWARTMENSE IN DIE REPUBLIEK. — WYSIGING VAN GOEWERMENTSKENNISGEWING R. 1034 VAN 1974

Ek, Andries Petrus Treurnicht, Adjunk-minister van Plurale Betrekkinge handelende namens die Minister van Plurale Betrekkinge en Ontwikkeling kragtens die bevoegdheid hom verleen by artikel 17 (1) van die Wet op Maatskaplike Pensioene, 1973 (Wet 37 van 1973), gelees met Proklamasie R 219 van 1973, wysig hierby, met ingang van 1 Oktober 1978, die regulasies vervat in die Bylae van Goewermentsgewing R. 1034, gedateer 21 Junie 1974, ooreenkomstig bygaande Bylae.

A. P. TREURNICHT, Adjunk-minister van Plurale Betrekkinge.

No. R. 1508 (300) 21 July 1978

REGULATIONS FRAMED UNDER THE SOCIAL PENSIONS ACT, 1973, IN RESPECT OF BLACK PEOPLE IN THE REPUBLIC. — AMENDMENT OF GOVERNMENT NOTICE R. 1034 OF 1974

I, Andries Petrus Treurnicht, Deputy Minister of Plural Relations, acting on behalf of the Minister of Plural Relations and Development by virtue of the powers vested in him by section 17 (1) of the Social Pensions Act, 1973 (Act 37 of 1973), read with Proclamation R. 219 of 1973, hereby amend, with effect from 1 October 1978, the regulations contained in the Schedule to Government Notice R. 1034, dated 21 June 1974, in accordance with the accompanying Schedule.

A. P. TREURNICHT, Deputy Minister of Plural Relations.

BYLAE

Vervang Aanhangsel 1 deur die volgende:

SCHEDULE

Substitute the following for Annexure 1:

AANHANGSEL 1/ANNEXURE 1

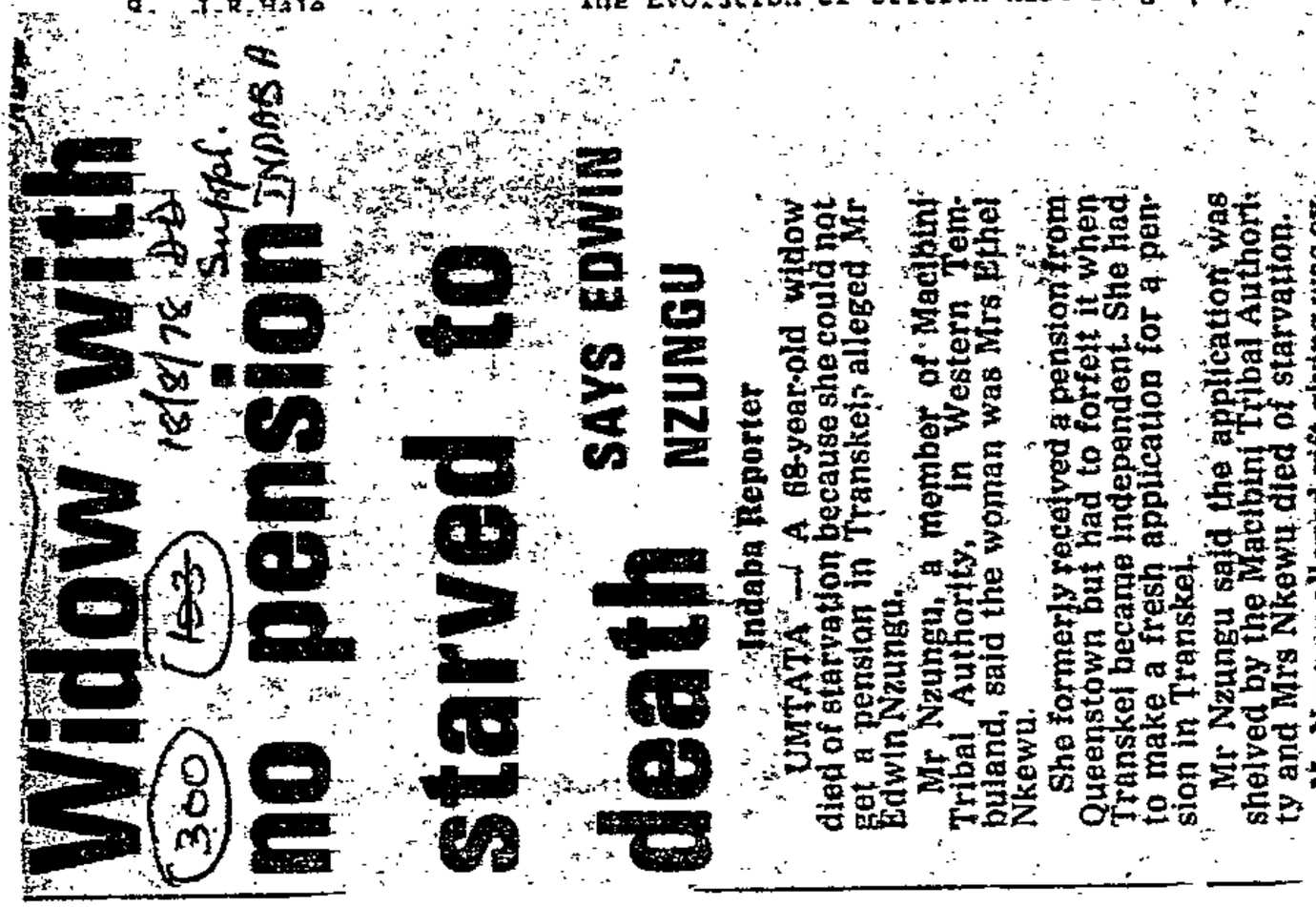
TABEL WAARVOLGENS MAATSKAPLIKE PENSIOENE MET INGANG VAN 1 OKTOBER 1978 TOEGEKEN MOET WORD
TABLE ACCORDING TO WHICH SOCIAL PENSIONS ARE TO BE GRANTED WITH EFFECT FROM 1 OCTOBER 1978

Inkomstegroep *Income group*	*Jaarlikse inkomste (middele en omstandighede in ag geneem)* *Annual income (allowing for means and circumstances)*	*Maksimum jaarlikse tekenning* *Maximum annual grant* R
I	Nul tot/Nil to R126	285
II	Bo/Over R126 tot/to R132	279
III	Bo/Over R132 tot/to R138	273
IV	Bo/Over R138 tot/to R144	267
V	Bo/Over R144 tot/to R150	261
VI	Bo/Over R150 tot/to R156	255
VII	Bo/Over R156 tot/to R162	249
VIII	Bo/Over R162 tot/to R168	243
IX	Bo/Over R168 tot/to R174	237
X	Bo/Over R174 tot/to R180	231
XI	Bo/Over R180 tot/to R186	225
XII	Bo/Over R186 tot/to R192	219
XIII	Bo/Over R192 tot/to R198	213
XIV	Bo/Over R198 tot/to R204	207
XV	Bo/Over R204 tot/to R210	201
XVI	Bo/Over R210 tot/to R216	195
XVII	Bo/Over R216 tot/to R222	189
XVIII	Bo/Over R222 tot/to R228	183
XIX	Bo/Over R228 tot/to R234	177
XX	Bo/Over R234 tot/to R240	171
XXI	Bo/Over R240 tot/to R246	165
XXII	Bo/Over R246	Nul/Nil

B. A. (HONOURS)

HISTORIOGRAPHY

1.	J.T.Shotwell	A History of History, Vol.I
2.	J.W.Thompson	A History of Historical Writing, Vol.I
3.	J.W.Thompson	A History of Historical Writing, Vol.II
4.	H.E.Barnes	A History of Historical Writing
5.	M.A.Fitzsimons (ed)	The Development of Historiography
6.	E.Feuter	Geschichte der Neureren Historiographie
7.	G.P.Gooch	History and Historians in the 19th Century
8.	H.Butterfield	Man on his Past: The Study of the History of Historical Scholarship
9.	J.R.Hale	The Evolution of British Historiography



Widow with no pension (300) 18/8/76 (163)

starved to death

SAYS EDWIN NZUNGU

Indaba Reporter

UMTATA — A 68-year-old widow died of starvation because she could not get a pension in Transkei, alleged Mr Edwin Nzungu.

Mr Nzungu, a member of Machini Tribal Authority, in Western Tembuland, said the woman was Mrs Ethel Nkewu.

She formerly received a pension from Queenstown but had to forfeit it when Transkei became independent. She had to make a fresh application for a pension in Transkei.

Mr Nzungu said the application was shelved by the Machini Tribal Authority and Mrs Nkewu died of starvation.

Mr Nzungu alleged gift-giving was expected.

When a man approached the tribal authority for consultation he was expected to produce a bottle of brandy.

A person wanting to see a magistrate at Lady Frere for a means test had to pay for the travelling expenses, meals and for a bottle of brandy for a member of the authority.

"As a Christian I could not allow such a situation to take place in my presence," he said.

He said it was worse when a tribesman made an application for a kraal site and arable land.

"We must not condone such a situation," he said. "We are the link between the tribe and the government."

It was time the government considered paying stipends to members of tribal authorities to curb gift-giving.

He had informed a member of parliament for Glen Grey, Mr David Tezapi, chief whip in the ruling Transkei Independence National Party, about malpractices and he had suggested they resolve that members of tribal authorities should be paid stipends and he would table it in parliament, Mr Zungu said.

Mr Zungu said a number of old people had had their applications for pension considered by Macibini Tribal Authority.

Mr A. Mhlatli attached to the Department of the Prime Minister which deals with matters concerning chiefs and headmen said members of the tribal authorities were not paid a stipend.

20.	J.R.Hale	Machiavelli and Renaissance Italy
21.	F.Gilbert	Machiavelli and Guicciardini: Politics and History in 6th Century Florence
22.	J.A.Mazzeo	Renaissance and Revolution: The Remaking of European Thought
23.	P.Burke	Culture and Society in Renaissance Italy
24.	H.Nicolson	The Age of Reason
25.	T.Besterman (Essays in Honour of)	The Age of the Enlightenment
26.	P.Burke	The Renaissance Sense of the Past
27.	L.Braudy	Narrative Form and Fiction (Pt.V. Gibbon)
28.	A.Momigliano	Studies in Historiography (Herodotus, Gibbon)
29.	H.G.Schenk	The Mind of the European Romantics
30.	H.R.Trevor-Roper	The Romantic Movement and the Study of History (Lecture, 24 pp.)
31.	G.G.Iggers	The German Conception of History
32.	G.G.Iggers &	Leopold von Ranke: The Theory and Practice of

Page 2/...

43.	P.Geyl	Froude)
		Historism: The Rise of a New Historical Outlook (Voltaire, Gibbon, Ranke)
44.	J.Clive	Metahistory The Historical Imagination in Nineteenth Century Europe (Michelet, Ranke, Burckhardt)
		Debates with Historians (Ranke, Macaulay, Carlyle, Michelet)
45.	W.Laquer & G.Mosse (eds)	Thomas Babington Macaulay The Shaping of a Historian
		Historians in Politics (Treitschke, Mommsen, Michelet)
46.	J.H.Plumb	Men and Places (Macaulay, Trevelyan)

Page 3/

SOUTHERN AFRICA LABOUR AND DEVELOPMENT RESEARCH UNIT

RESEARCH DIVISION,
SCHOOL OF ECONOMICS,
BEATTIE BUILDING,
UNIVERSITY OF CAPE TOWN,
RONDEBOSCH.
7700.

TELEPHONE 69-8531 (Ext. 453/440)

May 1978

Dear

We are engaged in prepar[illegible]our statistics, which we hope will be publish[illegible]

The book will include d[illegible]

- population (by age, [illegible]ace, sex);
- employment (by indus[illegible]tion, race, sex);
- wages (by indu[illegible]tion, race, sex);
- unemployment insur[illegible]
- workmens' compensat[illegible]
- 'labour relations' [illegible]mber of unions, employ[illegible] Board, industrial counci[illegible]unal activity, disput[illegible]ork);
- industrial health [illegible]

Where possible, we p[illegible]eries information on the above for up to 50 y[illegible]

The available sourc[illegible]bership over the last 5 years seem to us inadequa[illegible]ost grateful if you would help us to make our infc[illegible]as possible by completing the enclosed form and r[illegible]as possible.

In addition, we wo[illegible] any comments or suggestions about the informat[illegible]o see included in the survey, at your convenienc[illegible]

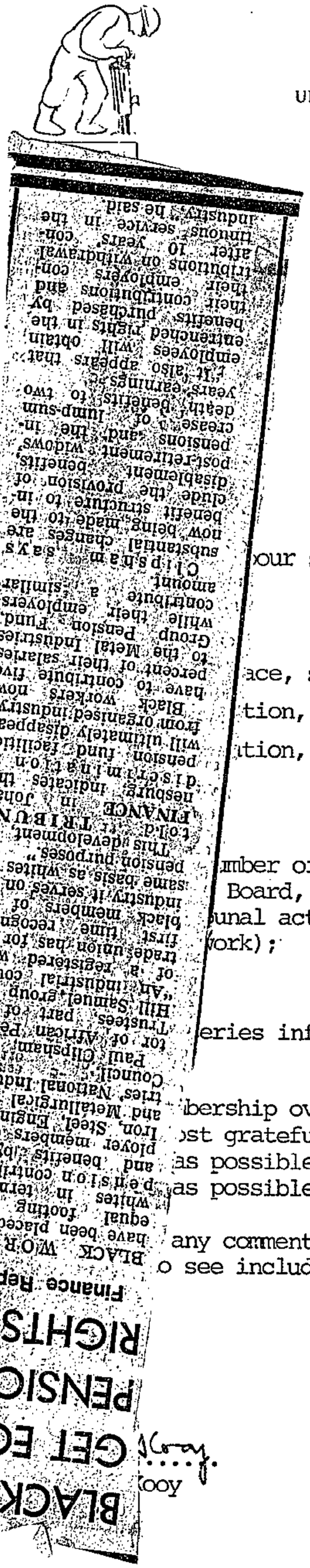
Thank you very muc[illegible]

Yours sincerely,

Delia Hendrie

Delia Hendrie

RESEA[illegible]



DEPARTEMENT VAN VOLKSWELSYN EN PENSIOENE

No. R. 1791 8 September 1978

WYSIGING VAN REGULASIES KRAGTENS DIE REGERINGSDIENSPENSIOENWET, 1973

Kragtens die bevoegdheid my verleen by artikel 17 van die Regeringsdienspensioenwet, 1973 (Wet 57 van 1973), wysig ek, Frederik Willem de Klerk, Minister van Volkswelsyn en Pensioene, hierby na oorleg met die Ministers en die Administrateurs vermeld in subartikel (6) van genoemde artikel, die regulasies afgekondig by Goewermentskennisgewing R. 1062 van 22 Junie 1973, soos gewysig, soos in die Bylae hiervan uiteengesit.

F. W. DE KLERK, Minister van Volkswelsyn en Pensioene

BYLAE

1. Regulasie 3 word hierby gewysig deur in subregulasie (2) die uitdrukking "2,7" deur die uitdrukking "2,85" te vervang.

2. Regulasie 8 word hierby gewysig deur in subregulasie (5) (a) subparagraaf (i) deur die volgende subparagraaf te vervang:

"(i) die bedrag wat sodanige ander fonds vereis om die tydperk van sy pensioengewende diens as lid van die Fonds vir die doeleindes van sodanige ander fonds te reken, maar wat nie 'n bedrag bereken ingevolge subregulasies (1) (a) en (b) oorskry nie, tensy die Sekretaris op goeie gronde anders gelas; en".

3. Die bepalings van paragraaf 1 van hierdie Bylae word geag op 1 April 1978 in werking te getree het.

DEPARTMENT OF SOCIAL WELFARE AND PENSIONS

No. R. 1791 8 September 1978

AMENDMENT OF THE REGULATIONS UNDER THE GOVERNMENT SERVICE PENSION ACT, 1973

By virtue of the powers vested in me by section 17 of the Government Service Pension Act, 1973 (Act 57 of 1973), I, Frederik Willem de Klerk, Minister of Social Welfare and Pensions, in consultation with the Ministers and Administrators referred to in subsection (6) of the said section, hereby amend the regulations promulgated by Government Notice R. 1062 of 22 June 1973, as amended, as set out in the Schedule hereto.

F. W. DE KLERK, Minister of Social Welfare and Pensions.

SCHEDULE

1. Regulation 3 is hereby amended by the substitution in subregulation (2) for the expression "2,7" of the expression "2,85".

2. Regulation 8 is hereby amended by the substitution in subregulation (5) (a) for subparagraph (i) of the following subparagraph:

"(i) the amount which such other fund requires to reckon the period of his pensionable service as a member of the Fund as pensionable service for the purposes of such other fund but not exceeding an amount calculated in terms of subregulation (1) (a) and (b), unless the Secretary for good cause otherwise directs; and".

3. The provisions of paragraph 1 of this Schedule shall be deemed to have come into operation on 1 April 1978.

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It seems likely that other dairy projects have failed as t
of markets and low production force members to leave.(9)
the projects as essentially non-viable is borne out by the
many people in Amathole and Inkomo have decided to sell mi
the dairies' example, they have not joined.

Freddy Mhlauli said that AmatholeDairy has lasted so long b
work well together and trust each other "unlike at N.M.'s
seem that the tensions generated by the conflict between N.
members may lead to the dairy's rapid demise, on the other
Amathole dairy has been running for over 25 years only two
than R5,00 a month from it and very few people are involved

This brings us to the issue of whether an efficient patron
more innovations, is worth the elements of exploitation tha
his/her involvement. One must note that members at Inkomo
from the dairy than those at Amathole. This is mainly due
members at Inkomo are better off than those at Amathole, ho
partly due to the better methods used at Inkomo. For exam
period of centralised marketing most peoples incomes were h
also consider the case of Alfred Bukula, it seems that he d
extra resources and yet he was able to improve his stock to
highest income after N.M. However, as we have seen the in
enough to make the dairy run efficiently and turn it into a

Finally, while they help some people make more use of their
cannot be seen as a way of improving the standard of living
people in an area, because only those with cattle can join.
the poorest members tend to be forced out of the dairy beca
few cattle to get a decent income from the dairy, thus the
is forced into migrancy and there is no one left at home to
involved in the dairy. They are mainly beneficial to peopl
cattle, or who have other local money-earning activities and
dairy jobs in with their other work as a supplementary sourc

In view of peoples commitment to the project (discussed late
dairies main value in providing an educative experience for
One might argue that in an environment of such poverty and
inequitable production is better than nothing and that it is very useful in
expanding peoples consciousness.

approach the extension office

. / ...

Committee of inquiry into pension system

Own Correspondent

PRETORIA. — An interdepartmental committee of inquiry into pensions was appointed yesterday by Minister of Finance, Senator Owen Horwood, and Social Welfare and Pensions Minister Mr F W de Klerk.

The committee's terms of reference will be to negotiate with representatives of the pension and provident fund sector about steps necessary for:

- Compulsory preservation of pension funds by means of transfer rights;
- Conversion of part of lump-sum benefits into annuities, and
- Provision of satisfactory pension benefits for people with none.

The joint statement by the Ministers says the committee will determine its own programme, but that the question of the preservation of pension rights and the transferring privileges of lump-sum benefits would initially be given preference.

The statement warns people who are soon to retire with lump-sum benefits only not to make hasty decisions. "These persons are assured that any commitments made by them in anticipation of the payment of lump-sum benefits will not be overlooked when the question of the conversion of pension benefits is considered."

The Ministers said the following people had been appointed to the committee: Mr J W Louw, Registrar of Financial Institutions and who will be chairman; Mr W Swanepoel, actuary in the Office of the Registrar of Financial Institutions; Mr H E Huxham, Deputy Secretary for Social Welfare and Pensions; Mr I M van Rooyen, Under-Secretary for Social Welfare and Pensions and Dr B van Staden, Reserve Bank adviser.

Mr F J M le Roux, of the Office of the Registrar of Financial Institutions, is secretary. Any inquiries or correspondence should be addressed to him as follows: The Secretary, Committee of Inquiry into Certain Specified Pension Matters, c/o Registrar of Financial Institutions, Private Bag X238, Pretoria 0001. Phone: Pretoria 48-4329

Probe into pensions one-sided — Tucsa

Star 11/9/78

Labour Reporter

The 220 000-strong Trade Union Council of South Africa today expressed concern that the inquiry into improving the South African pension system makes no provision for participation by contributors.

The announcement of the inter-departmental committee of inquiry said merely that the committee would negotiate with representatives of the pension and provident fund industry.

"It's the contributors' money that's involved," commented Mr Arthur Grobbelaar, general secretary of Tucsa.

"And the contributors should take part in the decision making process."

A five-man committee of inquiry has been appointed to investigate pension matters following a statement made during the last parliamentary session by the Minister of Social Welfare and Pensions, Mr F W de Klerk.

The committee, under the chairmanship of Mr J W Louw, registrar of financial institutions of the Department of Finance, will investigate:

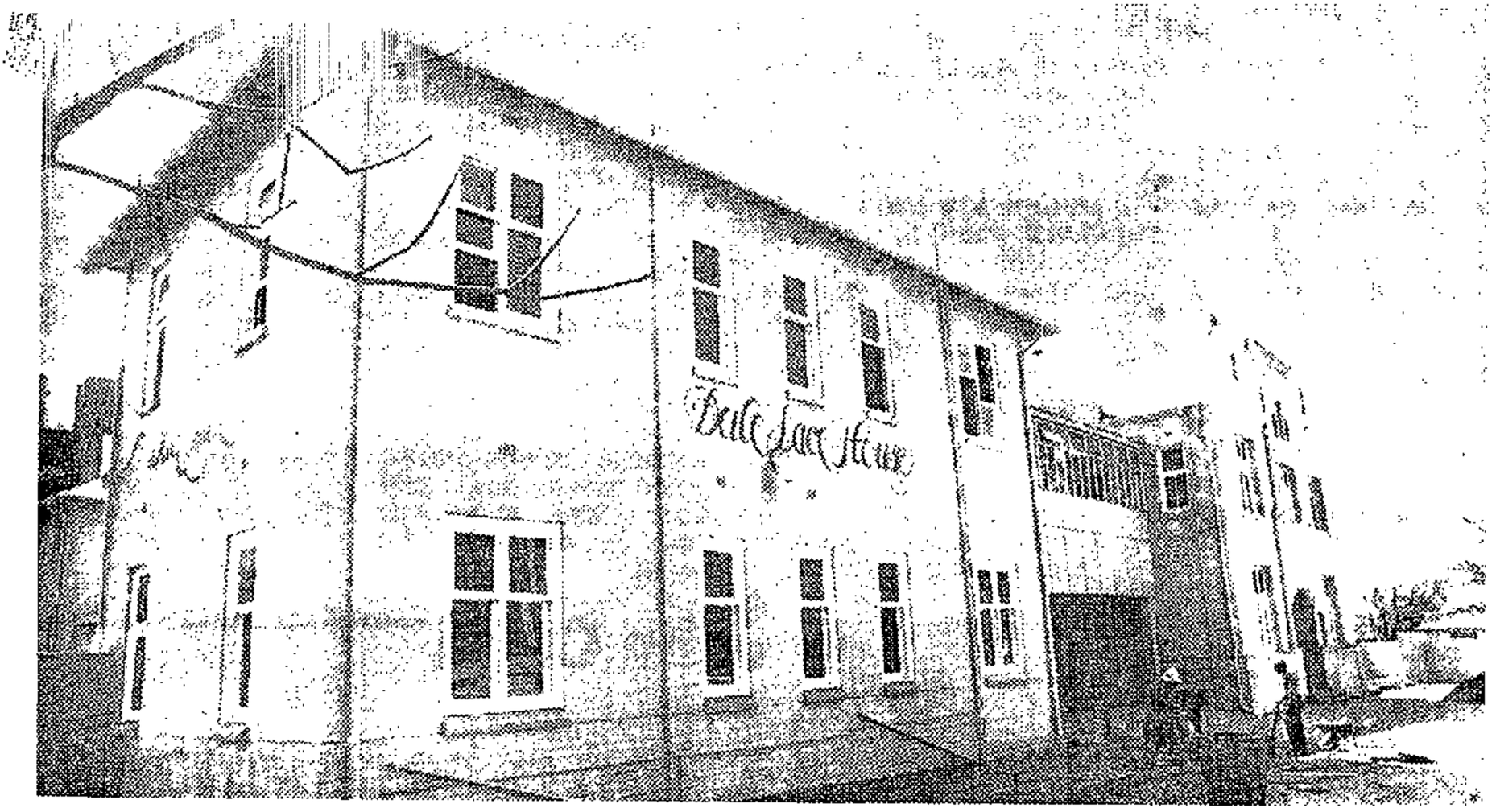
- The compulsory preservation of pension rights by means of transferability or otherwise.
- The commutation of part of lump-sum benefits into annuities.
- The provision of satisfactory pension benefits for that section of the community not enjoying such coverage at present.

The committee will negotiate with representatives of the pension and provident fund industry regarding these three aspects.

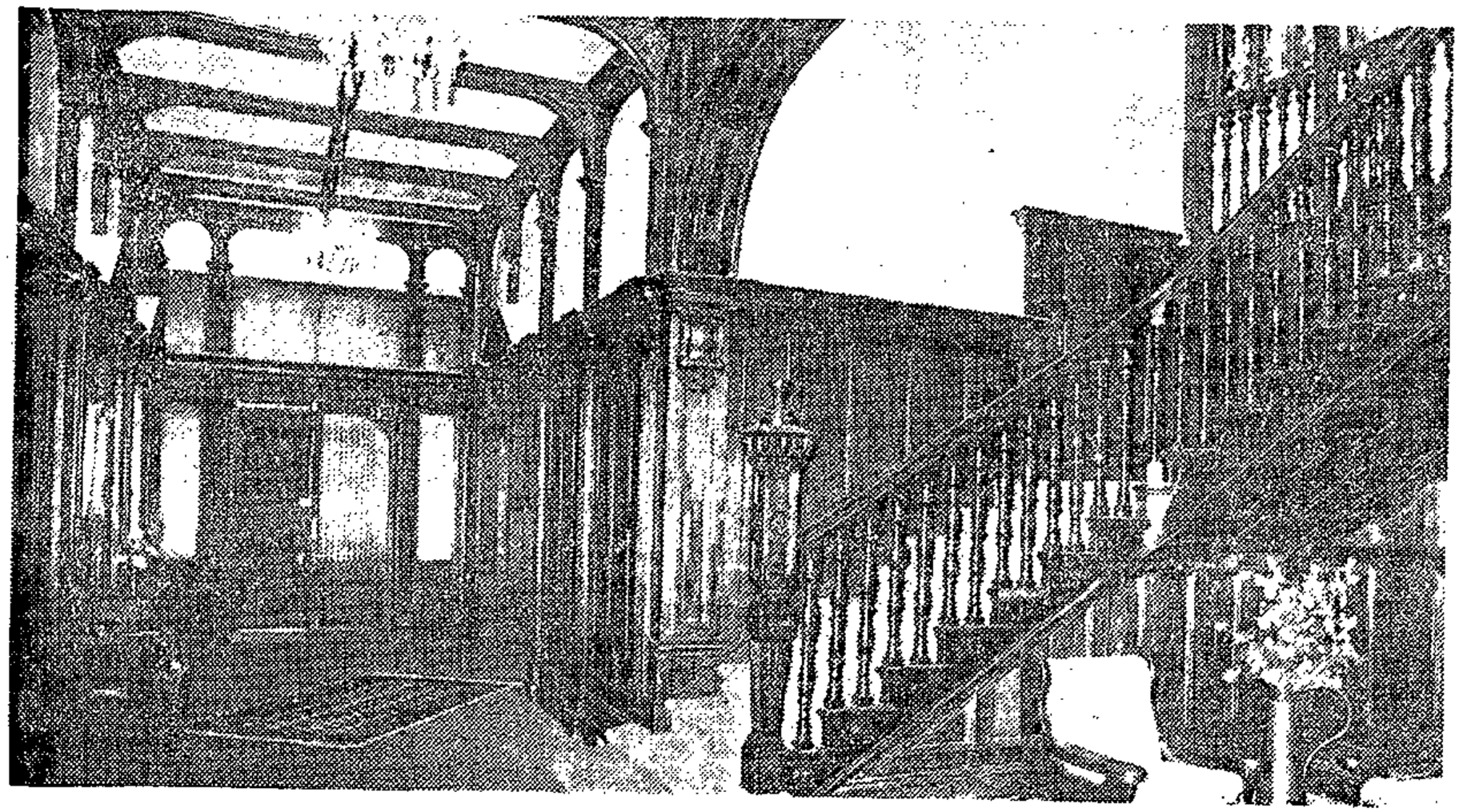
It will make recommendations and submit draft legislation on the first two aspects during the first stage of its work, says a joint statement issued by the ministers of Social Welfare and Pensions and of Finance.

The second phase of its work will be devoted to the third aspect.

People who have made commitments in anticipation of receiving lump-sum benefits have been assured that these will not be overlooked by the committee when considering the commutation of pension benefits.



Dale Lace House, previously a boarding house and a nursing home, has been reconverted to retain as much of the splendour of its original purpose. The east wing of the complex was built by mining magnate John Dale Lace at the end of the 19th century and has been carefully renovated.



The panelling in the entrance of Dale Lace House, part of the original mansion, has been stripped and restored. The window above the staircase has been painted with Bavarian designs, to hide the walls it looks on to. Fitted carpets and chandeliers add the finishing touch.

Local historic home now a haven for the aged

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Star 9/9/78

After much painting and renovation, an historic Johannesburg home, Norman House in Doornfontein, has been turned into Dale Lace House, a charming home for the aged.

The core of the house was built in 1890 for Colonel John Dale Lace, a mining magnate of early Johannesburg and was called Norman House.

But when fashionable Johannesburg moved to Parktown, Dale Lace, often described as "The most popular man on the Rand" and his wife Josie, "Queen of Johannesburg Society," moved to "Northwards."

Norman House then became a nursing home. Extra wings and nurses' quarters were added during this period. When the nursing home closed down in 1969, the Norman became a boarding house.

Stained glass windows and doors, specially engraved and painted in England, still remain from the original house, as does the carefully restored carved oak panelling in the entrance hall.

A later addition, the operating theatre, has now been turned into a hair-

The home consists of both single and double private rooms. There are three large sitting-rooms and four small ones, as well as a TV and recreation room and small card rooms.

All rooms are carpeted and furnished and are equipped with heating and telephones.

Accommodation costs from R200 a month for single rooms to R350 for a couple in a double room. Meals, laundry and entertainment are included.

Women are able to have their hair done twice a month by a hairdresser on the premises at no extra cost.

Trained nursing staff are on hand at all times and meals are prepared by a trained chef.

In future low-cost holidays and weekends away for residents are also planned.

Initially about 40 rooms will be occupied, with 100 more available in six months' time.

In stage two of the renovations the old nurses' quarters will be completed. In stage three a block of flats which is part of the complex, will become available for ad-

modation

One of the stained glass windows from the original Norman House. The glass was sent to England at the end of the 19th century for painting

Pension inquiry men appointed

Pretoria Bureau

AN INTER-DEPARTMENTAL committee of inquiry into improving South Africa's pension system was appointed yesterday by the Minister of Finance, Senator Owen Horwood, and the Minister of Social Welfare and Pensions, Mr F W de Klerk.

The committee will negotiate with representatives of the Pension and Provident Fund Industry about the steps necessary to ensure:

- The compulsory preservation of pension funds by means of transfer rights.
- The conversion of a part of lump-sum benefits into annuities.
- The provision of satisfactory pension benefits for that section of the community with no pension privileges at present.

The joint statement by the two Ministers said that the committee would determine its own working programme but that the question of the preservation of pension rights and the transferring privileges of lump-sum benefits would initially be given preference.

The following persons have been appointed to the committee:

Mr J W Louw, Registrar of Financial Institutions, who will also act as chairman; Mr W Swanepoel, Actuary in the Office of the Registrar of Financial Institutions; Mr H E Huxham, Deputy Secretary of the Department of Social Welfare and Pensions; Mr I M van Rooyen, Under Secretary of the Department of Social Welfare and Pensions; Dr B van Staden, Adviser from SA Reserve Bank.

Mr F J M le Roux, of the Office of the Registrar of Financial Institutions, who will attend to the secretarial duties of the committee.

Any inquiries or correspondence must be addressed to him as follows: The Secretary, Committee of Inquiry into certain specified pension matters, c/o Registrar of Financial Institutions, Private Bag X238, Pretoria, 0001.

His telephone number is 48-4329, Pretoria.

THE TRAGIC TREK OF THE BENT BRIGADE TO A BUREAUCRATIC

TRIBUNE INVESTIGATION

ON KWAZULU SWINDLE

Pension rip-off of the Zulu aged at Tugela

PENSIONERS often have to cross rivers to get to the pay-out p oints — frequently to be told: "Come back again"

THEY CAME hobbling. The Bent Brigade; moth-eaten men and women from decaying kraals.

From the ridge you could see them making their way in slow ant-lines. Close-up you cringed at their battered old bodies, at the calloused legs and arms clawing up the rocky slopes.

Some were already waiting on the river bank, squatting among the stones and the dung. They sat motionless in the sun, their faces shiny black death masks, asking nothing, expecting nothing, devoid of hope.

They spoke in a monotone, telling of days spent shambling from one district office to another, only to be told their pension record had been "lost" or to "come again".

From Msinga trading store — the local pension payout point — to the Tugela Ferry magistrate. From Tugela Ferry to Zhakeni, near Ladysmith, a two-bus day's journey eating up hard-saved money. From Zakheni back to Msinga to start all over again.

Some have been waiting up to six years for pensions. Most of the aged have no proof of their birth dates, referring simply to historical events, such as Impi Yama Bhunu (the Boer War) or Impi Bambata (the Bambata Rebellion) or the Great Flu (the flu epidemic of 1918).

It is easy for clerks to reject their claims, to gaze past their rheumy eyes, their grizzled grey beards, their stick legs with protruding veins, to wave a bureaucratic wand and boot them out the door.

So, clutching their little bundles of undersized oranges and pulling

BOOT AT THE JOURNEY'S END

"I work on the land with my hands, but I'm always tired," says Captain Mbela. In his seventies, he has been battling since 1976 to get a pension

They have no proof of age, but recall the Boer War and Great Flu

their tattered clothes close around them — ancient greatcoats in the noonday Zululand sun — they go back to their kraals and wait to die.

"I'm too old to work on the land now," said Captain Mbela, a bright-eyed, scraggy old man with a triangle of goat skin slung over his shoulder. "I dig with the pick and plant vegetables, but I'm always tired," he said.

Asked how much land he had he gestured at the river. "From that bank to that bank," he said. It was about 50 m square.

CHARLIE Dluladlala points to the sores on his leg. He has a medical report from the Johannesburg district surgeon stating he's 100 percent disabled, but he says he has not been able to get a pension

Captain Mbela was a tenant farmer who used to work as a gardener in Estcourt six months of the year, earning about R5 a month.

When the tenant system was abolished he was left with only a few cattle, which he used as lobola for his son's wives.

His two sons are in Johannesburg. They are building construction workers who are both out of jobs. In better times they used to each send home about R20 a month every now and then.

Captain Mbela first applied for a pension in 1976, even though he estimates he is much older than 65. It has not been granted.

Even when there are clearcut cases of age or disability, some have not been successful in getting pensions.

Charlie Dluladlala showed me a medical report signed by the Johannesburg district surgeon in February 1977. It diagnosed old age, said he was 100 percent disabled and recommended an old age pension. However, he has still not got one.

Years ago, when the tenant farm system was abolished, he got work in Johannesburg as a nightwatchman. In 1976 he was told by poll tax officials he was too old to pay tax and should get a pension.

Fired

His employers then filled in a pension form. The pension office told him he was too young. He went back to his employers, who said if he was eligible for pension he was too old to employ. They dismissed him.

He went back to his birth place, Tugela Ferry. Officials there ignored the medical report. He does not know what to do.

Nomathophi Khumalo, who has power of attorney for her blind mother, went to the Mbango store to collect her disability grant on Wednesday this week to be told there "wasn't a card for her."

She has been collecting this grant for years, and has documentary proof of its legitimacy.

She does not know what to do about her mother's pension. She is also desperate about her brother. He is bed ridden. Recently he was told his disability grant had been withdrawn and that he'd have to get an updated medical certificate.

The three are entirely dependent on the blind mother's pension and Nomathophi, an old woman herself, does not have the money to get her brother to the nearest authorised doctor.

Tangle

The old age pension which black men over 65 and women over 60 are entitled to draw — it averages about R35 every two months — and the disability pension of about R33 which the disabled should get bi-monthly, literally make the difference between life and death.

The 150 known cases who live in two valleys of the Msinga district, near Weenen, are probably a fraction of the KwaZulu people eligible for pensions but trapped in a tangle of bureaucracy.

KwaZulu's Minister of Health and Welfare, Dr Dennis Madidi, told the SUNDAY TRIBUNE he could not comment on people who were eligible for pensions but whose applications had been unsuccessful.

The magistrate of the area was the district pension officer, he said. Nobody checked the magistrate's decisions. He was the supreme authority. He admitted magistrates could err in their assessments, but said pensioners stories could not always be take at face value.

He said there was a means test.

"If people applying for pensions have stock or land or a working relative who could support them, they don't get grants. We have a limited budget. We can only give money to people who are absolutely in need.

"But I agree this is not a satisfactory system. We are thinking of changing it so that applicants get a pension without their means being questioned."

YACHT RACE HIT

THE Atlantic Triangle yacht race may have knocked the wind out of the sails of South Africa's own trans-atlantic race to be held in January

With the official closing date for entries less than three weeks away only one of the 19 boats so far seeking a place in the fleet is foreign-registered. She is the U.S.-registered 21 m sloop Circus Maximus, of owner/skipper John Raby.

More than 120 ocean racers headed westward from Cape Town in January 1976 for the last Cape-to-Rio race before the Brazilian Government banned further races.

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Crush of fear in case time, money run out

MANY African pensioners in Guguletu queue throughout the night to collect their meagre old age and disability pensions which are paid out every second month by the Department of Plural Relations and Development.

They fear that there may not be enough time or money for those at the back of the queue to be paid on the set day. If they do not receive their pension, they have to make a tiresome and expensive journey to offices in Observatory to collect it.

The Argus investigated the plight of the pensioners after receiving complaints recently.

Among the first people to be paid at the Guguletu Civic Hall on Tuesday morning was an elderly couple who had been queueing for nearly 20 hours.

Mr Mac Ngangana, 72, of Section Two, Guguletu, said he and his wife Martha, 64, arrived at the hall at 2.30 pm on Monday.

Night outside

Like many others they spent the night outside the building, huddled around a fire against the cold. With them was Mr Robert Mokoena, 63, who has been suffering from arthritis for seven years and receives a disability pension.

Mrs Regina Mfaco, 68, of Section Three, joined the queue at 4 pm on Monday afternoon. She said she always came early.

There is often no money for those who are late and they have to go to the offices of the Department of Plural Relations and Development in Observatory to collect their pensions, Mrs Mfaco said.

By 8 am yesterday there were about 600 people seated in the hall and another 60 standing at the door. The paymasters were not expected until 10 am.

Near chaos

By 11.30 am the queue at the door had doubled in length — and there was near chaos inside.

Two long queues led to a crush of people around the tables. Appeals to them to sit down and move back simply resulted in a change of places.

The two white paymasters packed up their cases of crisp banknotes, threatening to leave. Black officials checking documents packed up the boxes of printed cards on which each pensioner has to put his fingerprint before payment.

Only the efforts of Administration Board social worker Mrs Millicent Koti to marshal the crowd into some sort of order prevented a complete stoppage of payment.

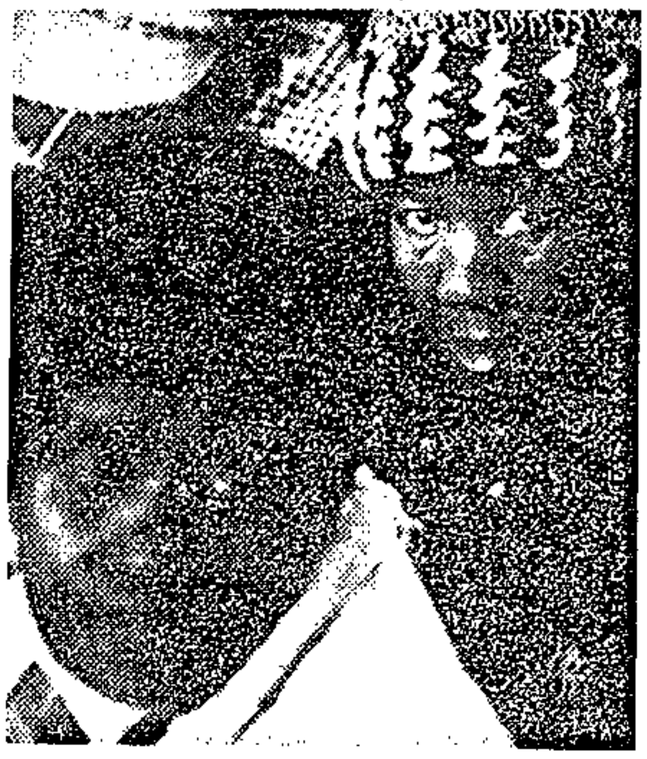
Best way

Some pensions, said the crowds and the long queues were a feature of all three centres in the Peninsula where black pensions are paid every two months — Langa, Guguletu, and Nyanga East.

Those interviewed agreed the best way to ease the situation would be to increase the number of points at which payments are made.

AFTER a night in the cold two friends catch up on lost sleep in the hall.

AN impatient pensioner . . .



. . . and a resigned one.

For many of the people, most of the money is taken up by rent. The full social pension for blacks is R20,50 a month, or R41 every two months. Rent each month in Guguletu for a four-roomed house is R ,17 a month, or R30,34 every two months (Where there is no other source of income in the house, rent for pensioners is waived).

From October 31, pensions will go up R3,25 a month. But rent will go up at the same time by R2,83 a month, pensioners said.

Those interviewed were unanimous that pensions should be paid monthly rather than every two months.

The Commissioner for the Peninsula, Mr L J van Heerden, referred queries on pensions to the head office of the Department of Plural Relations and Development in Pretoria.

A liaison officer in the department, Mr A J van Schalkwyk, said it was up to the local communities to suggest changes to the present system of payment if they are not happy with it. Community leaders should approach the department.

'We are always opens to suggestions,' Mr van Schalkwyk said.

Patience is... waiting for your old-age pension

PART of the crowd which filled the Guguletu Civic Hall hours before the first pension payments were made.

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should be noted that the Diploma
xactly the same as the one in
fuse matters, is also called the
Diploma in Chemical Technology by different Colleges for Advanced Tech-

UAL's Fredericksz . . . socialism is with us

in trust, with everything that goes with the concepts of "deferred pay" and "in trust."

I am not suggesting that our pension industry is in a parlous state but that it can tighten up on its internal discipline and run its affairs in a more formal manner with better disclosure.

● UAL's Nick Fredericksz: Solvency of the PF movement depends significantly on changes in income distribution. In SA, inflation is decelerating; the swing to socialism is very much with us; the public sector is growing and potentially profitable industries tend to be discouraged by an obsolete tax structure.

For the PF industry, this means that fixed interest securities will grow increasingly attractive while the increase in salaries and wages will be better held in check. Yet while this spells a sombre outlook for equities, SA remains one of the few areas in the world where profit growth can take place simultaneously and not at the expense of consumption expenditure.

● AECI financial director George Thomas: It is essential for pensions to be escalated so as to help pensioners retain the living standards to which they have properly become entitled.

With high rates of inflation and the need for PF's by law to invest almost 50% of arisings in fixed interest stock, it is going to become increasingly difficult for PF's and their supporting companies to achieve this objective.

● H H Biermann, Liberty Life: The demand for equal wages will have the most impact on our own actuarial predictions. Until wage parity has been reached, the assumptions on which our present retirement funds are based will not be, at least for the next 20 years, sufficient to cope. Nor do I believe that our investment returns will be able to cope. A possible solution in measuring financial soundness will be for the actuary to put forward, rather than merely recommend, rates of contribution.

● Old Mutual Assistant GM M M van den Heever: The PF industry is only part of the whole economic structure. It is the whole economic structure which is in danger if inflation is not kept under control, not only the PF industry. If we assume the survival of the politico-economic structure, we can safely assume the survival of the PF industry.

PENSION FUNDS (300)

Crystal-gazing

FM 22/9/78

A searching conference on SA's pension fund movement was held under NDMF auspices in Johannesburg last week. So far as there was consensus, the picture looks sombre. Here are some of the major points:

● W B Swanepoel, State Actuary: By undertaking to pay special contributions over a number of years to finance an accrued but unfunded liability, the employer probably makes the pension fund (PF) solvent in the technical sense if that undertaking takes the form of a formal acknowledgement of debt.

But the extent to which a PF's solvency should be allowed to depend on

DEPARTEMENTE VAN FINANSIES EN VAN VOLKSWELSYN EN PENSIOENE

No. 1928 22 September 1978

AANSTELLING VAN 'N KOMITEE VAN ONDERSOEK NA SEKERE PENSIOENAANGELEENTHEDE

Hierby word vir algemene inligting bekendgemaak dat die Ministers van Finansies en van Volkswelsyn en Pensioene 'n Interdepartementele Komitee van Ondersoek met die volgende opdrag aangestel het:

Om met verteenwoordigers van die pensioen- en voorsorgfondsbedryf en ander belanghebbende liggame te onderhandel aangaande die stappe wat nodig mag wees om die volgende te verseker:

(a) Die verpligte bewaring van pensioenregte deur middel van oordraagbaarheid of andersins;
(b) die omsetting van 'n gedeelte van enkelbedragvoordele in jaargelde; en
(c) die voorsiening van bevredigende pensioenvoordele vir dié gedeelte van die gemeenskap wat tans nie dekking in dié opsig geniet nie.

Die Komitee is opgedra om voorkeur te gee aan die bewaring van pensioenregte en die omsetting van enkelbedragvoordele gedurende die eerste fase van sy ondersoek.

Die volgende persone is as lede van die Komitee aangestel:

(a) Mnr. J. W. Louw, Voorsitter;
(b) mnr. H. E. Huxham;
(c) mnr. W. B. Swanepoel; en
(d) mnr. I. M. van Rooyen.

Mnr. F. J. M. le Roux van die Kantoor van Finansiële Instellings is Sekretaris van die Komitee. Korrespondensie in verband met enige aangeleentheid wat binne die Komitee se opdrag val moet aan hom as volg gerig word:

Die Sekretaris, Komitee van Ondersoek na Sekere Bepaalde Pensioenaangeleenthede, p/a Registrateur van Finansiële Instellings, Privaatsak X238, Pretoria, 0001.

Sy telefoonnommer is 48-4329, Pretoria.

DEPARTMENTS OF FINANCE AND OF SOCIAL WELFARE AND PENSIONS

No. 1928 22 September 1978

APPOINTMENT OF A COMMITTEE OF INQUIRY INTO CERTAIN PENSION MATTERS

It is hereby notified for general information that the Ministers of Finance and of Social Welfare and Pensions have appointed an Interdepartmental Committee of Inquiry with the following terms of reference:

To negotiate with representatives of the pension and provident fund industry and other interested bodies regarding the steps necessary to ensure—

(a) The compulsory preservation of pension rights, by means of transferability or otherwise;

(b) the commutation of a part of lump-sum benefits into annuities; and

(c) the provision of satisfactory pension benefits for that section of the community which does not enjoy cover in this respect at present.

The Committee has been instructed to give preference to the preservation of pension rights and the commutation of lump-sum benefits during the first stage of its inquiry.

The following persons have been appointed as members of the Committee:

(a) Mr J. W. Louw, Chairman;
(b) Mr H. E. Huxham;
(c) Mr W. B. Swanepoel; and
(d) Mr I. M. van Rooyen.

Mr F. J. M. le Roux of the Office of Financial Institutions is Secretary to the Committee. Correspondence in connection with any matter falling within the Committee's terms of reference should be addressed to him as follows:

The Secretary, Committee of Inquiry into Certain Specified Pension Matters, c/o Registrar of Financial Institutions, Private Bag X238, Pretoria, 0001.

His telephone number is 48-4329, Pretoria.

(85)

settlement schemes has varied from
Quoted from J.B. McI. Daniel op. c

46. G. Huizer writing of a project in El
I955. "Community Development, Lanc
Political Participation" in "Peasan
Societies" ed. by T. Shanin, Penqui

47. Michael Lipton op. cit. pg.30I.

48. Max Klayman ("The moshav in Israel"
describes the success of the "Zioni
European pioneers" who set up the f
(OVDIM) and the failure of the unmo
who were settled in moshav OLIM by
I. Haissman writing of the "Village
a new tenure system in Mexico, says
is overcoming the peasants' initial
fidence and making them believe the
theirs. p.I8.

49. Edmund Wilson "To the Finland Stati
I974 p.rII.

50. People writing on Chinese success with
programmes or agricultural developme
that these achievements have been de
motivation and involvement inspired
system and that one cannot regard th
to be emulated in another context.
For medicine: "Health Care in China
tion" China Health Care Study Group
& Susan B. Rifkin: Geneva Christian
I974 p.I23-I27.
For agriculture etc.: "China: the q
W. Burchett & R. Alley Penguin I97

5I. This often happens with communal gard
from other areas see the benefits of
and then request the same facilities
area. Often these new gardens funct
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project area of Kwa-Zulu, people in
area of Ndebela are more keen on sew
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Community Development Officers Wed.

52. My study is of course very cursory and
may show other associations. I had d
aimed to assess the success of projec
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Internal communication?
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Existence of other organisations wi
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Pensions up, but tax shock looms

(300) R.D.M 26/9/78

Own Correspondent

DURBAN. — White old-age pensioners will receive R9 a month more from the beginning of next month.

But many are in for a shock — some pensioned couples may now have to pay income tax.

The pension increase was announced in the Budget earlier this year.

Mr George Oldfield, the New Republic Party's spokesman on pensions, yesterday called on the Minister of Finance, Senator Owen Horwood, to raise the special tax abatement for those over 60 years old.

A married couple now receiving R79 a month old-age pension gets a total of R1 896 a year. This is just below the R1 900 income limit on which tax is not due, Mr Oldfield said.

"However, from October 1 they will receive R88 each or a taxable yearly income of R2 112 which is over the limit."

They will pay about R18 a year tax after deduction of abatements.

"So with this and GST, the R9 increase will be totally wiped out," he said.

Mr Oldfield hit at the Government for not relaxing the means test in the last six years.

He said there were still many shortcomings, despite the increase.

Those receiving a private pension would be hardest hit, he said. Using as an example a widow receiving a pension from her late husband's employer, Mr Oldfield said:

"If she receives only R42 private pension a month she may get the maximum basic old-age pension of R88.

"It reduces on a sliding scale until the maximum she may receive privately is R82 and the R48 minimum old-age pension — a total of R130 for everyone.

But as soon as her private pension goes up to R83, she gets no old-age pension and her income is slashed by R47.

"This ceiling has been static for six years while the cost of living has been rocketing.

"One woman told me her rent had gone up to R70 a month and she will have only R18 to live on. Old-age homes have closed their waiting lists. What is she supposed to do?

"I have appealed to the Minister of Finance to increase the ceiling in the next Budget to R120 a month."

Mr Oldfield said those receiving private pensions were penalised more than those living on their investments.

Pensioners could receive R260 a month from R34 000 invested and still receive the old age pension. They also got bus and radio licence concessions, hospital and district surgeon services free, while those receiving an R83 or more private pension and no Government pension could not get these concessions, he said.

But those living off their investments would be hit by the recent 1% drop in building society interest rates.

"Many were scraping by before, but they won't be able to now," Mr Oldfield said.

Old age pensions, war veteran, disability and blind pensions are all affected by the means test.

Mr Oldfield quoted a case of someone in sheltered employment whose salary, paid by the Department of Labour, was increased by 90c a week.

This put her yearly income up to R986,96 just R2,96 more than the means test limit and she lost her entire R41 a month disability pension, he said.

Tax may swallow pensioners' increase

EAST LONDON — On October 1 white old-age pensioners will receive a R9 increase.

But in addition to the recently imposed 4 per cent general sales tax some married pensioner couples will now be liable for income tax.

At present a married couple receives R79 a month old age pension each — giving them an income of R1 896 — which is just below the R1 900 income tax limit on which tax is not due.

On October 1, however, they will receive R88 a month each or a taxable yearly income of R2 112, which is over the limit.

They will pay about R18 a year tax after deduction for abatements according to the Receiver of Revenue.

With tax and the GST the R9 increase could be virtually wiped out for pensioners who receive no other income apart from their pensions.

According to Mr George Oldfield, MP for Umbilo, and New Republic Party spokesman, on pensions the hardest hit people include people like a widow receiving a pension from her late husband's employer.

"If she receives only R42 private pension a month she may get the maximum basic old age pension of R88.

"It reduces on a sliding scale until the maximum she may receive privately is R82 and the R48 minimum old age pension — a total of R130 for everyone.

"However as soon as her private pension goes up to R83, she gets no old age pension and her income is slashed by R47," Mr Oldfield said. — DDR.

PENSIONS (300) FM 6/10/78

Into the thick

Though off to a slow start, the Interdepartmental Committee of Inquiry into Pensions is now well under way.

The five-man committee was appointed early in September by the Ministers of Finance and Social Welfare & Pensions to negotiate with representatives of the pension and provident fund industries and "other interested bodies." The committee held its first meeting on September 19, and then approached those concerned (including Tucsa) who have been asked to submit evidence by the end of October. The next meeting is planned for early November. There will also be provision for oral evidence.

The committee's terms of reference are to consider steps to ensure:

- The compulsory preservation of pension rights by means of transferability or otherwise;
- The commutation of a part of lump-sum benefits into annuities; and
- The provision of satisfactory pension benefits for that section of the community not enjoying such coverage at present.

The first two points are to be tackled first. As they are relatively much simpler than the third the feeling seems to be that legislation may be forthcoming next session. Still, there are some contentious matters to be settled.

Transfer value

For instance, under the first, supposing a man moves to a job where there is no pension fund, and for some reason his pension cannot be preserved in the old fund, presumably some kind of retirement annuity would have to be purchased. But the main problem will be coming to an agreement on a formula for calculating the minimum transfer value from the existing fund.

Under the second point the main problem is to determine how much pension must be retained before taking lump sum benefits. One approach is to require a pension of 150% or more of the maximum old age pension. This applies particularly to provident funds as under pension funds two-thirds of the full pension due must be taken as a pension and only one-third can be commuted.

In this connection the ministers, in their press statement, dropped a reassuring hint: "Persons who will retire with lump sum benefits only in the near future are advised not to make hasty decisions. These persons are assured that any commitments made by them in anticipation of the payment of lump sum benefits will not be overlooked when the question of the commutation of pension benefits is considered."

The real difficulties will only come up when it comes to grappling with the third point. Problems come up such as what to do about people whose wage structure is such that they cannot make provision, or who can't find employment. Or, how to avoid making the cost of employing labour (such as agricultural labour) too high? To say nothing of the administrative cost and trouble of setting up and maintaining records in respect of casual labour, and of people who work irregularly and change rapidly from job to job.

This may all take years to resolve.

Star 16/10/78

300

Three of the nine adults living at 1799A Naledi, a "transit house" in Soweto, wait hungrily for their pot of mealie meal to cook on their home-made brazier. The room they sit in is also used as a bedroom.

The aged black — tragic victim of SA society

By Sally de Vasconcellos

They are old and hungry. They don't remember where they've come from, they don't know where they're going. Some don't even care anymore. They are just waiting to die.

These are the inhabitants of houses number 1799 and 726, Naledi, Soweto.

Inside the rickety doors of these two cramped little hovels you find yourself face to face with what has been described as one of the most tragic problems in South Africa — the problem of old age in black townships.

Twenty-two people, including six children, live crammed together in these two Naledi houses — which Soweto residents call "transit camps".

Of the 16 adults, 14 are so old they struggle to care for themselves. Some are crippled, some mentally deficient, most of them are ill.

They were staying in the Consolidated Main Reefs hostel (CMR) until it was closed by the West Rand Board last October for economic reasons. Some were then moved to their present squalid conditions — they have no relatives.

Where will they be moved to next?

from Rhodesia, also had an accident while building. One of his legs was amputated and he supports himself with crutches.

An old woman, Mrs Anna Masekela, was lying under a blanket on the grass. She refused to peep out because the light hurt her eyes.

Stove

Seven adults and three children live in this small, dark, unfurnished four-roomed house. Two dilapidated tables and a small bench furnish the "kitchen." There is no stove to give them warmth.

The pressure stove given to them by WRAB — big enough only to cook their meals and not warm the house — has not worked for two months.

When the old folk moved into the house, they had to sleep on the cold cement floor, until a company donated thin foam mattresses.

They are plagued by rats. There are no toilet facilities inside and the crippled have to drag themselves to a tap outside to wash.

On the day Fair Deal visited 1799A Naledi, it was pouring with rain and the wind was howling around the house. One of the residents had made a fire in a brazier in the kitchen. The smoke choked us as we entered and we were forced to keep the door open.

Conditions were similar

Also living in the house are Mr Joseph Mogale and his wife Babes. Sixty-three-year-old Joseph has a chest ailment. Babes was involved in a hit-and-run accident about five years ago.

A WRAB social worker delivers a scanty supply of provisions to the houses each week. According to the Black Housewives League, which visits the two houses regularly, these consist of about 5 kg mealie meal, 2,5 kg sugar, tea, salt, 500g powdered milk, four small packets of samp, five loaves of bread every third day and a bar of soap per house. This is used for washing their clothes and their bodies.

The league is a welfare-type organisation of black women that aims to help the under-privileged in black communities. It gives them meat and vegetables when possible.

Mrs Stella Mohlamme, of the league, who visits the houses regularly, said: "The conditions are appalling — these old people are left to fend for themselves without anyone to look after them. They are at the mercy of the authorities."

When Fair Deal asked WRAB why the people were having to live in these conditions, a spokesman said WRAB was doing its very best for these people while the Department of Plural Relations decided what to do with them.

When a person has been sick for a long time, and the doctors and the ~~hospitals~~ have been unable to help, he might be advised by a person who had the same sickness and who was helped by the Zionists to come

15.

The sacrifice of an animal is undertaken in to the ancestral shades "because most of the peo tors want them to

15.

...acy or Treatment:

As yet, there has been no systematic researc on the

No homes for blacks

The Council for the Care of the aged say there are 94 old-age homes for whites on the Reef, but none for blacks.

The Department of Plural Relations says that throughout South Africa excluding the homelands, there are four old-age homes for blacks accommodating about 175 people. The Institute of Race Relations has estimated that in the homelands there are 25 homes which accommodate about 2 600 people.

"It is a tragic situation," said Mrs Deborah Mabiletsa, director of women's work in the South African Council of Churches. "As our black people get old, they see no future," she said.

Eugene Roelofse, ombudsman for the South African Council of Churches is horrified at their plight. "It's all very well to say simply, 'send them to the homelands,' but who do you send them to and where? Some of them have been born and bred in Johannesburg. How are these people expected to make this adjustment? How do they exist?"

Mrs Joyce Harris of the Black Sash said: "The total absence of old-age homes for black people is yet another example of the paucity of services offered them. When people get old they want to be in places familiar to them."

Temporary

No one seems to know. A spokesman for the West Rand Board told Fair Deal that the inhabitants of these two houses were the responsibility of the Department of Plural Relations. WRAB was looking after the people at the request of that department.

A spokesman for the Department of Plural Relations said that the Naledi houses were "temporary old-age homes." He said black old people could be placed in old-age homes in South Africa when there was space for them. If they preferred, they could ask the department if they could go to a home in a homeland, where they had relatives. He said he did not know when there would be space in an old age home for these people in Naledi.

When Fair Deal visited 726 Naledi, two old men, who were sitting outside, eyed us indifferently. "Whether they move us or we remain here, it doesn't matter anymore," said ex-builder Mr Moses Hartebeeste. His legs were amputated after an accident at work. He could not remember how long he had been in the house and did not know where he came from.

Mr Jackson Ndlovu to the previous house except there were nine adults and three children.

There was nothing else to do, so most of the residents were lying on their mattresses under blankets.

Lying down

One of them, 53-year-old Mabel Mokorosi, born at Coligny, Transvaal, had an accident in 1975. Since then she has been without a leg.

It was midday and she was still under her blanket — it was too much of an effort to move around.

He said WRAB did not have the staff available to assist the people who could not help themselves. But a social worker visited them three times a week.

The Tladi Health Centre was not far from the houses, he said, and the social worker could take the people there when they were ill. If they were seriously ill, he said, they could go to Baragwanath Hospital.

He said they were given dried rather than fresh food because there were no refrigeration facilities.

"Whether they send me somewhere, or not, it doesn't matter," says Mr Moses Hartebeeste, who lives in a bare, small four-roomed "transit house" in Soweto supplied by WRAB.

Mistreatment claim: Nurse tells of tears and neglect of residents in old-people's home

'PUNISHING THE AGED' INQUIRY

Mr John Conradie: I am distressed. The punishment system described was not part of the policy dictated by the welfare organisation or the matron.

A DURBAN welfare organisation for the aged is investigating claims that some nursing sisters at an old-age home victimise and ill-treat residents.

This follows a **Sunday Tribune** inquiry prompted by allegations that the increasing shortage of accommodation for old people in the city has led to neglect and maltreatment in some homes for the frail and aged.

Allegations related to several old-age homes in the Durban area. But during the investigation it was found that people alleged to have been mistreated were usually afraid to complain for fear of further victimisation and possible eviction from the homes.

Reports of neglect in some private nursing homes could not be substantiated because relatives were also afraid to complain publicly. Elderly residents were told they could find other accommodation if they were dissatisfied.

However, a nursing sister who works with the aged told the **Sunday Tribune** she was concerned about the lack of caring for and understanding of old people in a home run by a well-known welfare organisation.

She claimed two nursing sisters working with the frail and confused employed a punishment system to maintain control at times. Although she left the home some time ago, she maintained contact with staff members and it appeared this system had continued for about three years.

Sunday Tribune investigation by PENNY SWIFT

Incidents

She said: "Before I left the home I reported some incidents to the matron and discussed them with the chairman of the organisation. But it seems that little has altered."

She said she could not accept these incidents because they were morally wrong.

She said:

- A nurse told me she had been instructed by a sister not to attend to a resident because he was being punished for rudeness. The man, an epileptic, had been left alone on the edge of a high hospital bed and could not move about without help.
- I found a woman alone in a ward of unmade beds. Dependent on assistance to move around, she had slipped from her wheelchair. A nursing sister helping me lift the woman first shook her and accused her of doing it on purpose. She threatened to leave her on the floor if she did it again.
- I heard one of these sisters threaten to punish another resident for rudeness. The man had whistled for attention because he had difficulty in speaking.
- A woman patient was left alone in a ward of unmade beds because she was crying. It appeared she wanted to urinate. But when I moved her a sister complained.

The nurse said she left this floor after a month because she could not tolerate this kind of treatment and could not continue working with the sisters involved.

She believed the punishment system had continued as she subsequently found a woman crying in her wheelchair on the landing of this same floor.

"I believed her when she told me she had been pushed there as punishment."

Other incidents she had been told about involved the same nursing sister.

Shut in

- A resident was shut in a linen cupboard as punishment earlier this year. One of the sisters had been heard to say "Be careful — she wets in there," implying that this form of punishment had been employed on other occasions.
- A nursing sister was heard to boast that they had found a cure for incontinency — by making a patient sit in it.
- They held the residents' noses if they would not eat their food and withheld pudding if they wouldn't eat the main meal.

"It is difficult to believe that people can behave like this," she said. "These are lost, lonely, elderly people who are sometimes forsaken and who need much more loving and care than other sick people."

A **Sunday Tribune** reporter recently visited the home and asked residents on this floor if they were happy there. Of those who were able to express themselves, most said they were, but one referred to the alleged punishment system.

"It's all right if you obey their rules. But if we don't they punish us. They sometimes tie our hands behind our backs. There's one sister here who's a real hard case. But it's okay if you do what she says.

"They don't like us talking at mealtimes. They don't like us talking most times. They'd rather do all the talking."

A social worker who has worked with the aged said there was a need to screen nurses who applied to work with old people.

"Just being a nurse does not qualify someone to work with the aged. They need to have a love and understanding for these people, and of senility in particular.

"So often the emphasis in an old-age home is on physical care rather than emotional needs — and there is too much regimentation with little room for individuality.

Appalled

"But it's not an easy job and nurses who do work with the aged need a special commitment and dedication."

She was appalled by the alleged "punishment system" and advocated a system of rewards and encouragement in its place.

Mr Tony Folker, chairman of the welfare organisation, said it was possible a punishment system existed but said he was opposed to the idea. If elderly people were punished it could make them even more confused.

But he said nurses employed by his organisation were screened.

He referred the **Sunday Tribune** to Mr John Conradie, president of the organisation. After a meeting with the nursing sister, who repeated her allegations to him, Mr Conradie promised a thorough investigation.

He said the punishment system described was definitely not part of the policy dictated by the organisation or the matron of the home.

"The allegations might be correct but, equally, they might not be correct. I am very distressed," he said.

"We will not tolerate this kind of treatment under any circumstances. This is a wonderful organisation and we love old people. We give them all the love and attention we can."

'These elderly people need more loving and care than other sick people'

Rebate on rates for pensioners

9/11/78 DD

EAST LONDON — Subject to the final approval of the East London City Council and the Administrator, pensioners here will receive a 20 per cent rate rebate as from 1980.

The rebate will apply for men over 65 and women over 60, who have a total income of less than R200 a month. This income includes that of the husband or wife of the pensioner.

The system approved by the council's action committee and which is to be forwarded to the council for final consideration is identical to the one presently in operation in Cape Town.

But before the system comes up for final approval all ratepayers will be sent a circular outlining the proposals and inviting those who qualify for the rebate to apply to participate in the scheme.

The response to this circular will be put before council when they consider the 1980 estimates and rates assessments.

The city treasurer, Mr J. Howell, said yesterday his department would not be sending out the circular at this stage, but would wait until ratepayers had received their 1979 rate accounts in order to avoid confusion.

After this a survey will be done and application forms sent out to pensioners on the basis of the results received.

Pensioners who qualify for the rebate will have to furnish proof that their income is less than R200 a month.

And in addition to the income and age qualifications, only those who own and reside on properties with a single dwelling will be eligible.

Application for the rebate will have to be made on an annual basis before September 30 each year.

Mr Howell warned that it had been impossible to implement the scheme in 1979 and pensioners must not expect to receive the rebate in their next rate account.

They should not apply for the rebate until next year after they have received the circular from his department and the necessary application form. — DDR.

The Cape Times, Tuesday, November 14, 1978

Pensioners in Guguletu queue all night

By PADDY ATTWELL

ABOUT 20 old-age pensioners began queueing up outside the Guguletu Civic Hall last night to collect their bi-monthly pensions, according to reports from the township.

Some of the pensioners, who receive up to R41 every two months, were dossing down on outside the hall's front door, according to a Guguletu resident, Mr Phizza Mathapo. Many did not have blankets, he said.

A Cape Times reporting team could not visit the scene because they did not have permits to enter the township.

The Cape Times asked the Rev Wesley Mabuza, minister at the Guguletu Methodist Church, to investigate on its behalf.

"I was shocked, very shocked," Mr Mabuza said. He said it was common knowledge that pensioners queued up all night for their pensions, but he had not expected the situation to be as "bad" as he found it.

Some of the pensioners queueing up were members of his congregation who could not come to night meetings at his church because of leg, chest and heart trouble.

"But pensions are their food, their bread. It is their life," Mr Mabuza said.

"It's so late, I don't know what to do," he said. He said he was told that pensions would be paid out at 10.30 am today. He was told that Administration Board officials often ran out of money before all the pensions were paid and that those who did not receive pensions were instructed to collect their money from the Plural Affirs Commissioner.

But because of delays pensioners found it easier to wait all night for their money.

"It's a disgrace that the government can pay R12 million for a newspaper and then expect people who have made their contributions to the country to go through this," he said.

Brigadier J H van der Westhuizen, chairman of the Peninsula Administration Board, was telephoned at 11.30pm.

"I have no comment to make at this time of night," he said.

Mr Wallace Mgochi, chairman of the Friends of the Disabled and Aged, an organisation based in Guguletu, said late last night that he was trying to raise the caretaker of the hall to open it so that the pensioners could sleep inside.

"It is sad that they should have to suffer for the little they get only every two months," he said.

B;

9 - 9.50 p.m.

Sunday, 18th February (Student Workshop) Arts Block

10 - 12.00 p.m.	Afrikaans/Nederlands	Room A. 2
"	Social Anthropology	A. 4
"	Archaeology	A. 6
"	Classics	A. 8
"	Cultural History	A. 102
"	Philosophy	A. 10
"	Economic History	A. 12
"	German	A. 16
"	Hebrew	A. 105
"	History	A. 107
"	Political Science	A. 111
"	French/Italian	A. 117
"	Speech and Drama	A. 101
"	Religious Studies	A. 109
"	Public Administration	A. 113
"	Librarianship/Music	A. 201

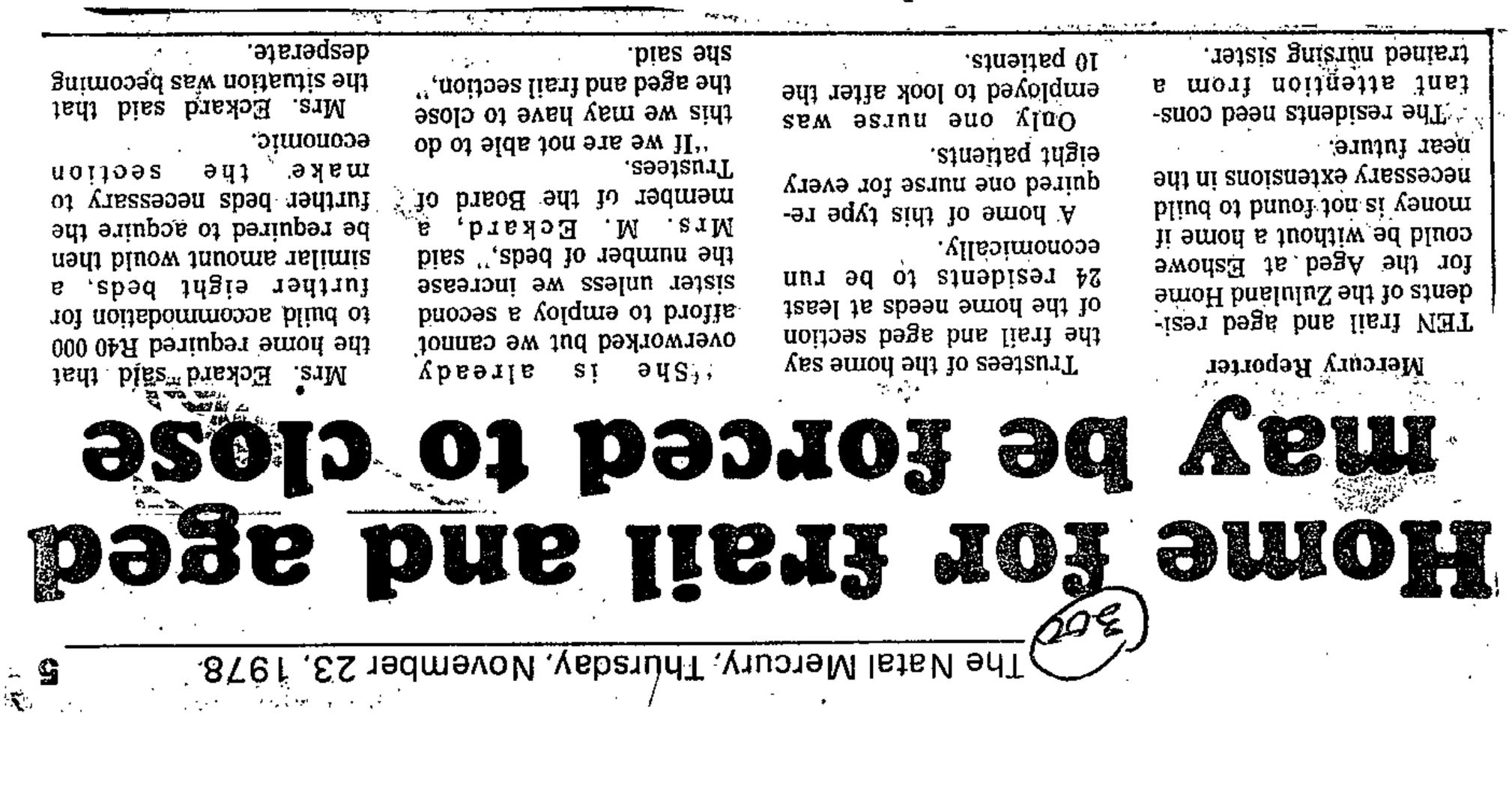
Monday, 19th February (Course Information Lectures) Beattie Building

9 - 9.50 a.m.	Afrikaans/Nederlands	Beattie Theatre
10 - 10.50 a.m.	French Intensive	Room B. 115
10 - 10.50 a.m.	French I	B. 105
10 - 10.50 a.m.	Education	B. 106
10 - 10.50 a.m.	Law	B. 114

Government's apparent insistence that the unit become absorbed in the construction of Maseru's prestigious international airport. The unit is necessarily small (250 employees in the first year and 500 thereafter) because of its experimental nature and its expensive foreign technician leadership. The fundamental obstacles, however, are the setting - a small net increase in employment of a full time nature within the requirements of law and popular expectations set against the alternative of migrant work at recently enhanced rates in South Africa. An alternative approach is suggested below, the strength of which is its ability to provide part-time work at rates below those ruling in the countryside; rates which are a fraction of the present urban determined rate for full-time employment.

The long period of benign colonial neglect has left Botswana with little technology suited to her rather extreme agricultural conditions and with little skilled manpower or institutional capacity to produce the same. Botswana's willingness to use foreign experts provides her with the ability to draw upon international experience as a short cut. This Botswana is doing as problems are identified. It is more difficult to create an ethos and organisational arrangements which allow local (field) interests to govern the work of short-term foreign technicians. Similarly, it would be unfortunate if the training and early work experience of national technicians were to be unduly influenced by the social and the professional status elements introduced by foreigners.

Botswana's central government is organised much as many other third world governments in terms of Ministries of Planning and Finance, Agriculture, Works, Local Government and Lands, Education, Home and Foreign Affairs. It is distinguished by having a Ministry of Mineral Resources and Water Affairs, in keeping with their unique place in the economy. What marks Govern-



The Natal Mercury, Thursday, November 23, 1978. 5

300

Home for frail and aged may be forced to close

Mercury Reporter

TEN frail and aged residents of the Zululand Home for the Aged at Eshowe could be without a home if money is not found to build necessary extensions in the near future.

The residents need constant attention from a trained nursing sister.

Only one nurse was employed to look after the 10 patients.

Trustees of the home say the frail and aged section of the home needs at least 24 residents to be run economically.

A home of this type required one nurse for every eight patients.

"She is already overworked but we cannot afford to employ a second sister unless we increase the number of beds," said Mrs. M. Eckard, a member of the Board of Trustees.

"If we are not able to do this we may have to close the aged and frail section," she said.

Mrs. Eckard said that the home required R40 000 to build accommodation for further eight beds, a similar amount would then be required to acquire the further beds necessary to make the section economic.

Mrs. Eckard said that the situation was becoming desperate.

SOCIAL SECURITY

PENSIONS / CARE FOR Aged

300

9/2/79

30 1/2/79

Garden City Association was formed in 1899 to propagate Howard's ideas and ultimately to build a garden city.(4) To achieve this, a company was registered and in 1903 the first garden city, Letchworth, was established fifty five kilometres from London.(5) Letchworth was an unquestionable success and led to the establishment of garden cities in many parts of the

PENSION FUNDS
The transfer saga

Surely pension fund managers, some of whom are said to be so alarmed about the prospect of compulsory transferability that they are already considering reducing benefits, are panicking prematurely?

The interdepartmental committee on transferability, chaired by Registrar of Financial Institutions, Wynand Louw, is now taking final evidence, and a report is said to be in the offing. (*FM* December 15 1978). Warning that it is "too soon to speculate" Louw says, "we are trying to arrive at a delicate balancing point — a formula which does justice to transferring members with short service, and transferring members with long service, *and* to the pension fund representing remaining members."

It is now generally accepted that compulsory transferability of full pension rights (meaning that a person who leaves one pension fund will be granted credit for the same number of years' service as he had under his previous plan) is not feasible.

On the other hand, something more than just the current "withdrawal benefits" (usually the employee's contributions only, plus interest at about 2½%-3%) is expected. This will inevitably involve some additonal cost. However, Tony van Ryneveld, the Life Offices Association's representative at discussions with the committee, assures the *FM* he does not believe these costs will be a significant strain on most funds, and only a very small minority might reduce benefits. There could be a heavier strain on non-contributory funds, some of which provide no withdrawal benefits at present.

The main reason Van Ryneveld does not think the extra cost will prove a major stumbling block is that the new system may be introduced gradually. Moreover, it has not been suggested that employers' full contributions to funds would have to be transferred. These usually include provisions for group life, administration costs, and often past service benefits. They are not specifically allocated to individuals, so could not be paid out in full.

It seems that a *proportion* of the employers' contributions would be paid — varying, as Louw has indicated, according to length of service, and also according to the type of scheme.

There will have to be legislation to amend pension fund rules. At present, trustees cannot pay out withdrawal benefits "ad lib", as their obligation is to conserve the fund for members who remain, not to shower generosity on those who leave.

Finally, there will be administrative problems. For members who withdraw close to retirement age, the money could probably be retained in the fund and paid as a deferred pension, as is often done at present. But funds will not be keen on administering large numbers of small deferred pensions. Old Mutual, in its latest pension fund report, offers to take over the responsibility of investing such money and paying the pension at retirement, or passing it to the new fund.

| | | |

Brigadier was very pleased with what had been done and I think was much relieved that we did not lose men trying to carry out a foolish order. The order came from Kitchener, but it was the Brigadier that sent out a perfectly inadequate force. Spies said that at least 450 Boers were in the hills in and behind the Nek.

14th June

our 5 inch four guns R.H.A. and

Fusiliers w of Inniskilling

the Brigade Nek. I remarked to

if the Boer could not take it

go at it b He said, "Oh we won't

300

It was a b id at 6.30 a.m. we

marched to ambulances as I fully

expected h id not like the job

at all. here the previous day

were kept in reserve. Captain Feilden's Squadron was sent in front. We saw Boers again on the skyline but they did not fire a shot. Feilden's verbal orders were 'to go up the hill to the east of the Nek but not to persist in the attempt if he met with severe opposition'. The Nek itself was so exposed and entrenched at the top, that no attempt could succeed that way.

whatsoever to the Grand Prix.

Pension benefits Hansard 1 (20) 9/2/79

*12. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) Whether the inter-departmental committee investigating the transferability and preservation of pension benefits has submitted a report; if so, (a) when and (b) what are the recommendations of the committee; if not, when is the report expected to be submitted;

(2) whether legislation in regard to the matter is to be introduced during the current session.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) No.

(a) Falls away.

(b) During the course of this year.

(2) Probably not.

Schwarz plan for pensioners

CAPE TOWN — With interest rates tumbling and thousands of pensioners on fixed incomes facing the prospect of a lower standard of living, the Opposition's chief finance spokesman, Mr Harry Schwarz, has come up with a novel way of easing the blow.

He has suggested the Government issue a savings bond at a high interest rate which only the elderly can buy.

The bonds, carrying an interest rate of say 10 per cent, could be confined to those over 60 and the amount to be invested would be limited. The bonds would be redeemable on three months notice after two years.

"Interest rates have fallen substantially in recent times. This should encourage investment, is of benefit to traders and is good for the Stock Exchange," Mr Schwarz said.

"However, how good is it for the pensioner? The man or woman who has saved for retirement and for old age? These people have contributed by their work to the community, they draw no social pensions, they are not a burden on the community. They invest their savings mostly in banks and building societies or post office savings media.

"A drop in interest rates of one per cent and an inflation rate in excess of 10 per cent results in an undeserved drop in living standards in excess of 20 per cent a year. What have widows and pensioners done to deserve this?

"Now we face a further drop in interest rates. Should something not be done to assist. Tax concessions for the elderly are not an adequate solution. The Government has rejected indexed savings bonds," he said. — DDC.

Old age homes

543. Mr. D. J. N. MALCOMESS asked the Minister of Social Welfare and Pensions:

(1)(a) What amount of the additional funds for welfare services announced by the Minister of Finance in his budget speech last year was allocated for subsidies for old age homes and (b) how much of this amount (i) has been and (ii) will be spent during the current financial year;

(2) how many old age homes (a) qualified for subsidies in the current financial year and (b) were classified as category A, category B and category C homes;

(3)(a) how many old age homes of each category received a higher subsidy under the Department's new budget system and (b) in how many cases was this increase more than 10 per cent of the subsidy under the old system;

(4) how many homes in each category are in (a) rural areas and (b) Johannesburg, Pretoria, Durban, Bloemfontein, Cape Town, Port Elizabeth and East London, respectively.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) R1 735 000.

(b)(i) and (ii) It is not possible at this stage to indicate how much of the additional funds has been or will be spent. It will only become evident later during the year when closing the books for the financial year in question what the factual position is.

(2) (a) 300.

	Category A	Category B	Category C
(b)	83	168	49
(3) (a)	37	51	20
(b)	37	39	18
(4) (a)	65	119	31
(b) Johannesburg	6	17	7
Pretoria	3	11	4
Durban	2	6	1
Bloemfontein	1	2	1
Cape Town	5	8	1
Port Elizabeth	Nil	2	3
East London	1	3	1

Hansard 3
col 168

Military Pensions Act

23/2/79 (300)

*22. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

Whether consideration has been given to excluding pensions received in terms of the Military Pensions Act for the purposes of the means test applied to persons applying for social pensions under the Social Pensions Act; if so, what is his attitude in this regard; if not, why not.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

Yes. It will however amount to discrimination between pensioners *inter se* as part of the income of military pensioners will be disregarded for pension purposes whilst all the income of other pensioners is taken into account. In addition it will involve additional expenditure which cannot be justified at this stage.

Hansard 4 (222) 2762/79

300

Railway pensions

328. Mr. G. N. OLDFIELD asked the Minister of Transport:

(a) How many persons are at present receiving railway pensions and (b) how many such pensioners were awarded pensions prior to 1 December 1973.

The MINISTER OF TRANSPORT:

(a) 65 343.

(b) 32 425.

MP wants pensions transferred

NM 1|3|79 (300)

Parliamentary Correspondent

CAPE TOWN — Mr. Geoff Oldfield (NRP, Umbilo), yesterday asked the Government to take whatever steps it could to introduce legislation this year for transferring pensions from one scheme to another.

Mr. Oldfield expressed "great disappointment" that the Minister of Social Welfare and Pensions, Dr. Schalk van der Merwe had announced recently that this would "probably" not be possible this session.

The question of transferring pensions had been investigated and recommended to the Government as far back as 1966 by the Cilliers Committee.

The investigation into the possibility of a contributory pension scheme which reported in 1976 had also recommended urgent steps in favour of transferring pension rights.

Mr. Oldfield said many people over 45 who had lost their jobs during the economic recession would be hard-hit because they could not transfer their pensions after years of service in one job.

If they had been able to get into another pension scheme at all since then it would mean a drastic cut in their income on retirement.

Year	African	Total
1946	..	370 959
1947	..	359 777
1948	..	341 324
1949	..	357 038
1950	..	373 888
1951	..	369 515
1952	..	367 692
1953	..	359 577
1954	..	385 280
1955	..	398 276
1956	..	405 870
1957	..	403 632
1958	..	407 935
1959	..	449 280
1960	..	455 767
1961	..	465 688
1962	..	457 884
1963	..	448 448
1964	..	441 178
1965	..	432 651
1966	33	419 579
1967	30	402 837
1968	21	391 [illegible]
1969	19	[illegible]
1970	24	[illegible]
1971	19	[illegible]
1972	16	[illegible]
1973	16	[illegible]
1974	18	[illegible]
1975	16	[illegible]
1976	16	[illegible]

University of Cape Town: Africa Seminar 70.

Paper for discussion on

Wednesday 18 October

DRAFT VERSION: NOT TO BE QUOTED OR CITED WITHOUT PERMISSION OF THE AUTHOR'S

Ethnicity, Language and National Unity

'So far as I am conscious, I have no Lhowe, no Tonga, no Ngoni, no Yao, no Tumbuka, no Ngonde, no Nkhonde, no Tonga: I am a Malawian and that is all.'

'I am a Chewa.'

In late 1976, in the Mwayu detention camp, outside Malawi's old colonial capital, Zomba, there were detained fifty-five university graduates. Forty-five were from the Northern Region.[4] Between 1973 and 1976 many senior administrators and lecturers at the University of Malawi were detained. Over 80 per cent were from the Northern Region. In early 1976 sixteen people employed at the vital National Statistical Office were detained. All were from the Northern Region.[5] Children from northern Malawi now being centred by their parents as soon as they enter school are born in the north and with the new surname. As a growing manifestation of education 'Chewa' and other ethnic identities, anti-Northern policies are coming in Malawi today, destroying rapidly the remaining shreds of the national feeling inspired by the Congress Movement against Federation in the late 1950s and early 1960s. And during the question continued political stability of Malawi, already 40 years, hiding behind Banda, Hrasky 40 years, hiding behind seventies,

Thus far, however, the growing ethnic divisions in Malawi have not attracted scholarly attention. Since the late 1950s, historical research has been largely dominated by an emphasis upon political history, focussing on the growth of nationalism during the colonial era. Nationalist historiography has tended to see almost any form of resistance to colonial rule as contributing to the growth of an almost teleologically determined procession towards

Old-age/veteran's/disability/blind person's pension

Hansard 5 (379) 9/3/79) (300)

387. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) How many White persons are at present receiving (a) old-age, (b) veteran's, (c) disability and (d) blind person's pension;

(2)(a) what is the present means plus pension limitation in terms of the means test for social pensions and (b) what is the present minimum social pension payable.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) (a) 139 416 on 28 February 1979.

(b) 13 965 on 28 February 1979.

(c) 25 363 on 28 February 1979.

(d) 800 on 28 February 1979.

(2) (a) R1 560 per annum.

(b) R48 per month.

(b) 7 235 hectares.

Hansard 5 (378) 9/3/79

Civil pensions (300)

386. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(a) How many persons are at present receiving civil pensions and (b) how many such pensioners qualified for civil pensions prior to 1 July 1973.

The MINISTER OF SOCIAL WELFARE AND PENSIONS:

(a) 72 793.

(b) 39 012.

Hansard 6 Question 389 12/3/79

300

Indian persons: pensions

389. Mr. G. N. OLDFIELD asked the Minister of Indian Affairs:

(1) How many Indian persons are at present receiving (a) old age, (b) veteran's, (c) disability and (d) blind person's pension;

(2)(a) what is the present means plus pension limitation in terms of the means test for social pensions and (b) what is the present minimum social pension payable.

The MINISTER OF INDIAN AFFAIRS:

(1) (a) 16 318.

(b) 237.

(c) 14 462.

(d) 220.

(2) (a) R825,00 per annum.

(b) R27,75 per month.

300

Hansard 6 Quest Col. 430

14/3/74

Black persons: pensions

390. Mr. G. N. OLDFIELD asked the Minister of Plural Relations and Development:

(1) How many Black persons are at present receiving (a) old age, (b) veteran's, (c) disability and (d) blind person's pension;

(2)(a) what is the present means pension limitation in terms of the means test for social pensions and (b) what is the present minimum social pension payable.

The MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(1) The following figures do not include pensioners in the self-governing Black states:

(a) 188 541.

(b) 437.

(c) 83 598.

(d) 4 762.

(2) (a) R126 plus R285.

(b) R165.

Hansard 6 Ques. Col. 435 14/3/73

300

Coloured persons: pensions

388. Mr. G. N. O'D[illegible] asked the Minister of Coloured Relations:

(1) How many Coloured persons are at present receiving (a) old age, (b) veteran's, (c) disability and (d) blind persons's pension;

(2)(a) what is the present means plus pension limitation in terms of the means test for social pensions and (b) what is the present minimum social pension payable.

The MINISTER OF COLOURED RELATIONS:

Welfare for Coloured persons in the Republic is a matter which has been delegated to the Executive of the Coloured Persons Representative Council. I have, however, ascertained that the reply to the question is as follows:

(1) (a) 84 037.

(b) 7 647.

(c) 50 616.

(d) 1 651.

(2) (a) R825.

(b) R27,75 per month.

Hansard 6 Col 2600 →

15/3/79

300

GENERAL PENSIONS BILL

(Second Reading)

*The MINISTER OF SOCIAL WELFARE AND PENSIONS: Mr. Speaker, I move—

That the Bill be now read a Second Time.

This Bill is merely a consolidating measure and the necessary certificate has been submitted by a State Law Adviser.

Question agreed to.

Bill read a Second Time.

Committee Stage taken without debate.

Bill read a Third Time.

Pension fund millions 'need tighter auditing'

A strange phenomenon of the R10 000m pensions industry is that although massive amounts of money are injected into funds every year, the controls that could normally be expected on such sums are frequently not imposed.

That's the view of Mr Fiachra O'Hanrahan, MD of African Pension Trustees, Mr O'Hanrahan made his points at a seminar on pension fund management arranged by Hill Samuel in Johannesburg today.

"Running a pension fund without formally appointed trustees, regular meetings of trustees and formal reporting is like running a company without a board of directors. Yet that is precisely what takes place in many cases," he told delegates.

He also "found it strange" that the registrar (of pension funds) does not require an annual audit of insured funds.

Reason for this was the dubious theory that contributions are paid to an insurance company, and since the insurance company itself is audited, no audit of an individual fund is needed. "I do not accept the logic of this situation," he said.

The principles of trusteeship were frequently not known or simply ignored where trustees or quasi-trusts exist in South Africa — the establishment of a pension fund automatically creates a trust under South African law.

"Normally managerial duties make it extremely difficult" to devote time to the management of pension funds."

The role of the principal officer or secretary of the fund was therefore vital in ensuring that the necessary controls are imposed.

A recent trend was towards the election of member trustees. These were often individuals with no concept of the formal requirements of trusteeship.

Trust law does, on the other hand, provide for the appointment of outside advisors in matters such as accounting, investment and actuarial advice. However, none of these steps absolved the trustees themselves from their basic responsibilities to the pension fund.

"It is imperative that managers of funds be aware of their responsibilities and be in a position to take steps to protect their own and their members' interests and investments," said Mr O'Hanrahan.

Pensioner rent plea planned

The Minister of Social Welfare and Pensions, Dr S W van der Merwe, will be asked next week to grant a special housing allowance to pensioners hit by flat rent increases.

Mr Simon Chilchik, MPC and city councillor for Hillbrow, Johannesburg, said today he, and his MP, Mr Alf Widman, Mr Harry Schwarz, MP for Yeoville and other flatland representatives would make this request in Cape Town next week.

Mr Chilchik said flat rents were going up "across the board" and pensioners were "virtually being forced out of existence" by the cumulative effects of price rises and rent increases.

"The private flat owner cannot be expected to subsidise pensioners," Mr Chilchik said.

This was the function of the Government which had to provide housing for the aged.

Pensions 'graft and corruption'

GRAFT and corruption in the payout of Zulu pensions resulted in stoppage of pensions and great suffering for many old people, according to a report from Natal.

When graft was discovered, all pensions were simply cancelled and recipients were told to apply again.

"The suffering caused by this cumbersome method is cruel beyond description and worst of all a futile exercise," the report said.

Pensions were reinstated, but not retrospectively. Old people had been kept waiting for up to eight years, being told each year to apply again.

This caused great hardship as the cost of application was high. The applicant had to pay bus fare for the local Induna (headman) to travel to the office to vouch for the applicant's age. The cost of feeding the Induna for the day was also paid by the applicant.

"This was usually repeated more than once, as the clerks keep the queue waiting and demand graft money before they will move," said the report.

It suggested use of a mobile van for clerks to visit chiefs' homes which would save "untold misery for the aged and crippled".

Pensioners 'robbed at pay offices'

CONFERENCE was told that how pensioners were robbed at pay offices in Kwazulu: "The queue files up to the table, where each person is asked by the first clerk to sign or thumb-print for their money. They then pass on to the next clerk, who pays them the money they signed for, but short.

"If the person protests, the money is withdrawn and he is told the money will be passed back to Pretoria, at which the pensioner asks to withdraw the complaint and accepts the short pay gratefully.

"Any later query reveals that he signed for the full amount."

12 km walk for some pensioners

PAYOUT of pension in some Kwazulu areas was so cumbersome that transfer from one payout point to another was impossible. Hence some people who lived at payout point A were forced to walk 12 kilometres to payout point B, while others left B to walk to A for their pensions.

The ony method of transfer was to cancel one's pension at the payout place and reapply, with all the risks attached at one's next place of residence. One might never seen the pension again, the report said.

Help pensioners—plea

(300)

STAR 22/3/74

THE ASSEMBLY — Dr Alex Boraine (PFP, Pinelands) yesterday made an impassioned plea to the Minister of Posts and Telecommunications, Mr F W de Klerk, to relieve the plight of former Post Office employees who are now on pension.

Speaking during the second reading debate on the Post Office Budget, Dr Boraine said these people were having a real problem in trying to make ends meet.

He asked the Minister to at least exempt them from paying telephone rentals in the same way the present employees of the Post Office were afforded this privilege.

Dr Boraine said he had received a letter from the secretary of the Post Office Pensioners Club in the Cape pleading with him to seek relief for them from the financial plight in which many of their members found themselves.

The club had also written to the Prime Minister, Mr P W Botha, seeking his assistance in the matter.

Old-age pensioners were the people who were most dependent on postal and telephone services to keep in touch with their relatives and therefore they would be the ones most hard hit by the tariff increases.

He said it was ironic that the very people who built up the Post Office should be paralysed by the hikes in the present budget.

Replying the Minister, Mr de Klerk pointed out the Post Office did not in fact have a pension scheme and that retired employees were provided for under another Government department.

The Government was nevertheless mindful of the plight of old-age pensioners and would do all it could to assist them.

"Miners' pensions up

Mine pensioners are to receive increases of up to 22 percent amounting to R36-million, the Chamber of Mines announced today.

The increases, backdated to January 1, are the latest in a series of improvements which have raised the pensions of people who retired on December 31 1973 by 56,4 percent.

Pensioners who retired after 1974 will receive proportionately lower increases.

The pensions of those who retired after 1977 or who retire in future will be increased as well.

Until now retiring members wishing to provide pensions for their widows had to take substantial reductions in their own pensions.

Now the pensions of these members will be cut by a maximum of 12,5 percent. The widow will also receive a better pension, the chamber says.

"Ex gratia payments for long service are paid to blacks but, on the whole, they don't have the length of service which would qualify them for pensions," the spokesman said.

Mine pensioners heard today that their pensions have been increased, backdated to the beginning of this year. Delighted pensioners are Mr Jacobus Schultz (62), an ex-shiftboss at Crown Mines in Johannesburg, and 74-year-old Jimmy Eastern (right) a former mine captain. They were photographed at the miners' statue in Rissik Street, Johannesburg.
© Picture: Mark Peters.

PFP slam pension increases

300

29/3/79

CAPE TOWN — The new pension rates announced in the Budget yesterday has widened the gap between monthly pensions paid to blacks and whites by R5,25.

This brings the gap between pensions paid to blacks and whites to R69,-50 a month.

The pension gap has increased despite the statement by Sen Horwood in his Budget speech yesterday that "pension differentials" between different population groups had been decreased.

The new rates have been described as "deplorable and harshly discriminatory" by Mr Horace van Rensburg, chief Opposition spokesman on social welfare.

Although the new pension rates provide for a higher percentage increase for blacks than whites, in terms of hard cash, the pensions gap will increase.

The pension increases of 10,2 per cent for whites, 13,1 per cent for Coloureds and 15,8 per cent for blacks mean the following in hard cash:

- Pensions for whites increase by R9 a month, bringing them to R97.
- Pensions for Coloureds and Indians increase by R6,25 a month, bringing them to R54.
- Pensions for blacks increase by R3,75 a month, bringing them to R27,50.

Commenting on the figures, Mr Van Rensburg said: "This is race discrimination in its harshest form practised against the most defenceless members of our society."

The Minister's statement that he was "further narrowing pension differentials" was "among the most cynical words ever spoken on the subject," Mr Van Rensburg said.

"The so-called pension increases are again harshly discriminatory."

Mr Van Rensburg condemned the pension increases for all races, describing them as "deplorable and totally inadequate."

He should have got more say PFP

"Surely the Minister must realise that only increases over the rate of inflation will relieve the desperate financial plight of our pensioners," Mr Van Rensburg said.

He also condemned Sen Horwood for having the "temerity" to describe "these so-called increases" as "meaningful concessions."

Mr Van Rensburg also criticised Sen Horwood for holding back the "minute increases" until October.

The delay in paying pension increases had caused bitterness and resentment in the past, but the Minister had ignored this, Mr Van Rensburg said. — PS.

Pension gap will continue into next century

THE GAP in the Government's social pensions for Black and White people will continue until the 2005/6 financial year — if the present rate of "closing" the gap continues.

AT the present rate, White and Coloured social pensioners will not receive the same grants until the 2002/3 financial year.

BARRY STREEK: Cape Town

In fact, the gap between White and Black pensions will continue to increase until the 1996/7 financial year, while the gap between White and Coloured pensions will continue to rise until the 1992/3 financial year.

In real terms, the gap has been increasing since the 1963/4 financial year, and in the current financial year the gap is wider than ever in spite of an announcement by the Minister of Finance, Senator Owen Horwood, that it would eventually be closed.

MAXIMUM

In his Budget speech last week Senator Horwood said that White pensions were being increased by 10,2 percent to a maximum of R97 a month.

The Minister added: "To further narrow pension differentials among the various population groups, pensions payable to Coloureds and Indians are to be increased by 13,1 percent and those payable to Blacks by 15,8 percent."

This method of "closing the pension gap" is in line with the procedure announced by Senator Horwood in previous budgets.

WIDER GAP

But while the rate of increase in Black pensions has been greater than the rate of increase for White pensions for a number of years now, the net increases have had the effect of widening the gap.

For example, the gap between White and Coloured pensions was R13,50 a month in the 1963/4 financial year, while the gap between White and Black pensions was R23,05 a month for the same year.

Ten years later, the gap between White and Coloured pensioners had increased to R23,50 a month while that between White and Black pensioners had risen to R39 a month.

In the 1975/6 financial year the rates of increase started changing in order, officially, to close the gap, but the extent of difference still increased to R30 between White and Coloured pensioners and R49 between White and Black pensioners every month.

In the 1976/7 financial year the gap between White and Black pensioners increased to R53,50: in 1977/8 to R58,50: and in the current financial year to R69,50.

If White pensions continue to increase at the same rate — that is, 10,2 percent — and Black pensions continue to increase at the same rate — that is 15,8 percent — and there are increases every financial year, the gap between White and Black pensions will be R100,84 in the 1984/5 financial year, R152,54 in the 1991/2 financial year, and will reach a peak of R175,41 a month in the 6/7 financial year.

The pattern of the gap between White pensions and Coloured pensions (which are the same as Indian pensions) is much the same. In the 1977/8 financial year the gap was R36,50 and in the current financial year it is R43 per month.

IN 1992 . . .

This gap will continue to increase. In the 1982/3 financial year it will reach R51,68 a month: in the 1985/6 financial year it will be R60,69 a month: in 1989/90 it will be R71,26 and it will reach an all-time high during the 1992/3 financial year of R75,30 a month before decreasing.

The official Opposition spokesman on social welfare, Mr. Horace van Rensburg (PFP, Bryanston), felt the increases announced by the Minister last week were in any event "totally inadequate" because they had failed to keep pace with the rate of inflation.

He also said the increases "are once again harshly discriminatory in respect of Blacks, Coloureds and Indians, in spite of the Minister's statement that he would further narrow pension differentials." He had in fact widened the gap further.

"The Minister's words 'to further narrow pension differentials among the various population groups' must surely be among the most cynical ever spoken on the subject," Mr. van Rensburg said.

So, White and Black pensioners will continue to be treated and paid differently purely because of the colour of the skin.

And whatever the Government's stated intentions, it looks as though the gap is going to continue for an awfully long time.

PENSIONS PER MONTH

	1963/4	1967/8	1973/4	1977/8	1978/9	1979/80
Whites	R27,00	R31,00	R47,00	R79,00	R88,00	R97,00
Coloureds & Indians	R13,50	R14,50	R23,50	R42,50	R47,75	R54,00
Blacks	R3,95	R3,95	R8,00	R20,50	R23,75	R27,50
GAP						
White/ Coloured	R13,50	R16,50	R23,50	R36,50	R40,25	R43,00
White/ Black	R23,05	R27,05	R39,00	R58,50	R64,25	R69,50

	1984/5	1989/90	1994/5	1996/7	2001/2	2004/5
Whites	R157,63	R256,17	R416,32	R505,58	R821,67	R1 099,62
Coloureds & Indians	R99,92	R184,91	R342,21	R437,74	R810,08	R1 099,62
Blacks	R56,79	R118,24	R246,20	R330,15	R687,46	R1 067,51
GAP:						
White/ Coloured	R57,71	R71,26	R74,11	R67,84	R11,59	——
GAP:						
White/ Black	R100,84	R137,93	R170,12	R175,41	R134,21	R32,11

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

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Vol. 166] CAPE TOWN, 5 APRIL 1979 [No. 6390

KAAPSTAD, 5 APRIL 1979

DEPARTMENT OF THE PRIME MINISTER

No. 746. 5 April 1979.

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

No. 29 of 1979: General Pensions Act, 1979.

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 746. 5 April 1979.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 29 van 1979: Algemene Pensioenwet, 1979.

Africans to higher levels of influence in the system of industrial relations constitutes a form of progress. The tacit admission of collective bargaining rights on an industrial basis, albeit circumscribed, likewise, shows a modest advance. However, the changes mooted for 1976 re-affirm the restrictions on freedom of association which have for so long been a prominent feature of labour policy in the Republic. Dualism in the market-place will be retained in spite of changes in occupational mobility which are undoubtedly taking place and despite the more militant mood shown by African workers in recent times.

It is true that in Europe systems of workers committees or councils have been devised and are being implemented. The proposed South African legislation has adopted certain features of these systems while denying their context and real content. Trade union rights to organise, bargain and strike are fully rec e systems complement these rights. In other w her institutions in modern society are capable rom grassroots support and conducting their bus ters on the shopfloor find unsatisfactory. Eu ned at re-introducing direct participation by der nventing the delay, obstruction and misunderstandin atic sclerosis. The South African effort is a tion.

The dilemma confron at in a period of marked instability in Soutl tem of labour relations, its proposed changes no criminatory. It depends ultimately for its acceptance by the African workers upon whom i extensive committee system spread throughout t ps and offices will prove a successful techniqu 'peace' seems doubtful.

DUDLEY HORNER
Cape Town
April 1976

Call for equalised pensions

Own Correspondent

KIMBERLEY — The South African Legion has called on the Government to equalise war disablement pensions paid to World War 1 and World War 2 pensioners with higher pensions for post-war ex-servicemen.

Delegates to the 58th annual congress held in Kimberley at the weekend expressed concern at the Government's delay in equalising the war disablement pensions and allowances to post-war "member" pensioners and those whose pensions and allowances were "consolidated" on July 1 1975.

They unanimously resolved that the Government be urged to equalise the pensions of all "consolidated" pensioners of all races with those paid to member" pensioners.

The Legion also said a great burden rested on the Legion and the departments of Plural Relations and Coloured Affairs to make eligible black and coloured ex-servicemen aware of their pension rights.

11 9 1979 23

Pension plea from the SA Legion

KIMBERLEY. — The South African Legion has called on the Government to equalise war disablement pensions paid to World War I and World War II pensioners with higher pensions by post-war ex-servicemen.

Delegates to the 58th annual congress held in Kimberley at the weekend expressed concern at the Government's delay in equalising the War Disablement pensions and allowances paid to post-war "member" pensioners and those whose pensions and allowances were "consolidated" on July 1, 1975.

They unanimously resolved that the Government be urged to equalise the pensions of all "consolidated" pensioners of all races with those paid to "member" pensioners in terms of the Military Pensions Act of 1976 by not later than the fiscal year 1980-81. — Sapa.

Rights of the blacks

KIMBERLEY. — A great burden rested on the SA Legion and the Departments of Plural Relations and Coloured Affairs to make eligible black and coloured ex-servicemen aware of their pension rights, the legion said at the weekend.

There were now only 791 blacks drawing military pensions in the Republic out of about 80 000 who saw service in World War II. Of about 45 000 coloured ex-soldiers, 7 500 were drawing pensions.

Most of these people were now of pensionable age and it was felt that a great burden rested on the legion and the Departments of Plural Relations and Coloured Affairs to make those eligible aware of their pension rights. — Sapa.

2.

Fin 13/4/79.

(3-4) (3-5-6) (3-2-5)

CROSSROADS

The way out?

The policy implications of the Cabinet decision on the future of the Crossroads squatter camp are puzzling — not least in that they appear to contradict what is happening in other parts of the country, such as the East Rand, where the houses of squatters in Daveyton were summarily demolished last week.

But if what the *FM* has been told is correct — and not simply a public relations exercise designed to still criticism over what has become a closely-watched international issue — the policy implications could be far-reaching. Final judgment on whether government has had a change of heart, however, must await publication of the Riekert report.

Although Prad Minister Piet Koornhof stressed that Crossroads was a once-off *ad hoc* solution to a delicate human problem, to be accompanied by measures "to prevent similar ones from arising in future," the manner in which he tackled it suggests that he has succeeded in convincing the Cabinet that a new approach is necessary to reconcile irresistible forces of urban-pull, rural-push on the movements of people with nationalist political ideals.

Some people believe that the method of the Crossroads settlement indicates that the Cabinet may have decided in principle to dump the old Verwoerd/M C Botha concept of male migrant labour, and to opt instead for a policy accommodating migrant labour family units. Such a decision can become policy without amending legislation.

A big if

Contract migrant family units can be accommodated by making greater use of section 10 (1) (d) of the Urban Areas Act, so that employers would have access to this category of labour only if they could provide housing. This however, is a very big if.

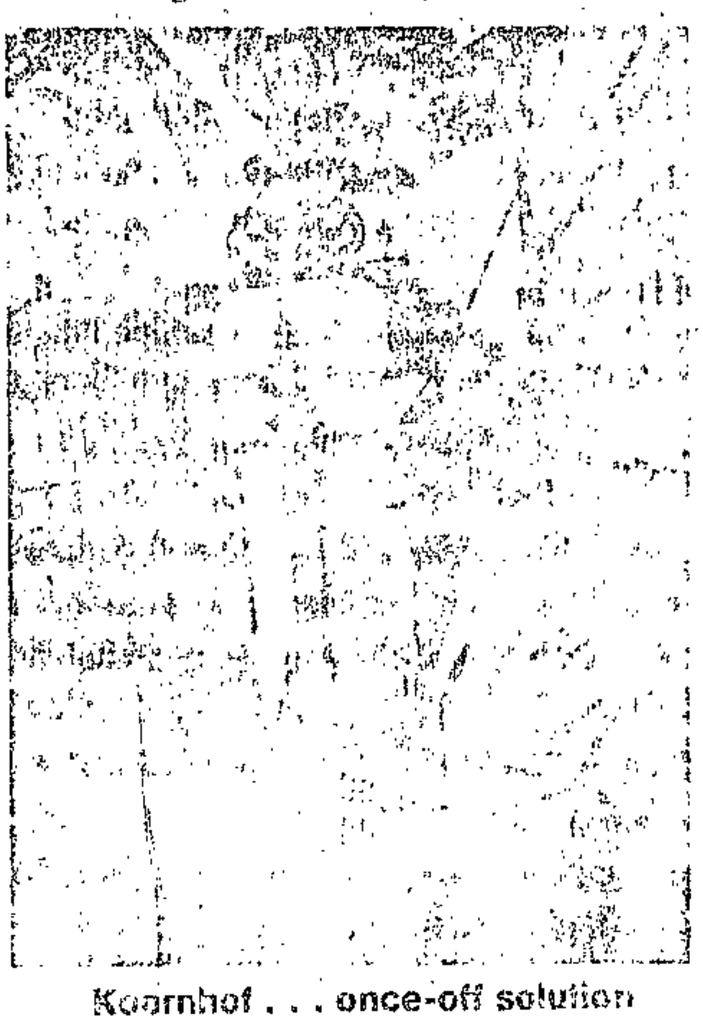
One of the decisive issues that influenced Koornhof's Crossroads settlement was a firm undertaking from Cape employer groups that they would help monitor black labour accretions to the urban areas by not only adhering to the housing provisions, but by getting involved in the provision of housing, where necessary.

In view of the high cost of capital relative to owner/occupiers' ability to pay, it is clear that the Cabinet will soon be up against another fundamental decision.

If private domestic and foreign sources of capital are going to be used to fund housing developments, will government permit departures from conventional public sector housing schemes and allow site-and-service?

In his Crossroads negotiations, Koornhof was implored to persuade his Cabinet colleagues, notably Marais Steyn, to agree to greater occupier involvement in setting up the new township between Nyanga and Guguletu. It is clear from his statement that the Cabinet agreed to this, but it is not clear whether the people of Crossroads will be allowed to build houses of their own choice.

Although Community Development



Koornhof . . . once-off solution may herald new approach

can supply sub-economic housing funds more expensive foreign [illegible] probably be made to go much further if site-and-service schemes are agreed [illegible].

The Urban Foundation is [illegible] have $7,5m on offer [illegible] banks, with the promise of another [illegible] if needed, at rates between [illegible] ditional upon owner [illegible] Clearly, this source cannot be tapped to resettle the people of Crossroads unless they are given security of tenure or government guarantees the loans.

A site-and-service scheme without tenure is clearly out of the question; a government rental scheme would not qualify for foreign loans. Koornhof's next hurdle, therefore, is to work a compromise between the 99-year leasehold scheme and the tough opposition of the Cape Nat caucus to extending the 99-year lease policy to the Western Cape. It is reliably understood that efforts are to be made to get members to accept a 40 year leasehold scheme for the region.

Although it may yet turn out that the Crossroads settlement will not be without a price — tougher application of influx control and the pass laws, etc — it is significant that luminaries like General Mining's Wim de Villiers and Dr Piet Meyer, of the SABC, have been urging policy shifts away from paternalism over urban blacks to "more realistic and egalitarian community patterns", in which workers and their employers and institutions could be allowed to determine their own solutions to housing problems.

Greater private sector involvement (including owners) in black housing development would remove yet another source of unproductive allocation of scarce capital resources and introduce the stabilising influence of ownership into the black township equation.

At bottom, however, the success of the Crossroads settlement will depend on how the Cabinet's decision is administered. In Cape Town, there is still apprehension among people who will be affected about how this will be carried out by the local administration board. Accord-

ing to residents, Koornhof has given the assurance that hardliners and bullies are out, and if there are borderline or special cases in possible danger of failing to qualify to remain in Cape Town for technical reasons, these will be dealt with by an Appeal Board consisting of a senior Prad official, Dawid de Villiers (MD of Nasionale Pers) and Judge Jan Steyn, or their nominees.

A problem category that springs to mind is veteran workers who have abided by the law and lived in single sex hostels for many years while their families have remained in the bantustans.

And what about thousands of "illegals" who have been living a fugitive existence in the three recognised black townships or in other squatter camps? Clearly, 2 575 erven at the new Crossroads township will not accommodate all the African heads of household and their families who fall into the "qualifying" categories mentioned by Koornhof. Will they be sent away?

The unofficial answer seems to be that if they have jobs and a reasonably long and crime free track record of residence in the Western Cape, ways will be found of fitting them into the settlement plan.

SUGGESTED SOLUTION

1.

		P.V. Factor	Present Machine Cash Flow	Present Machine P.V.	New Machine Cash Flow	New Machine P.V.
y_o	Purchase - sales proceeds	1,0			(11 000)	(11 000)
y_1	i) Tax value old machine					
	Cost 14 000					
	I.A.(15%) 2 100					
	11 900					
	W&T 2 yrs @ 1 700 3 400					
	8 500					
	Recoupment @ 0,60 1 500					(900)
	Proceeds 10 000					
	ii) Investment and initial -					
	,55 x ,6 x 21 000				6 930	
					6 030	4 824
y_{1-5}	Material Lab cost x 12 00				(12 960)	
	Maintenance				(1 800)	
					(14 760)	
	After tax (i.e. x ,40				(5 904)	
	Wear and te: (1 700 x ,6				1 890	
	,15 x 21000				(4 014)	(12 042)
						(18 218)

TOTAL COST

Conclusion: It new machine.

2. y_o as before (11 000)

y_1 as before 4 824

y_{1-5}	Maintenance and W&T as before	3,0	(Note) 540	1 620	(Note) 1 170	3 510
				1 620		(2 666)
	Incremental present value (1 620 + 2 666)					4 286
	Incremental cost/ unit after tax 0,42 x ,4	3,0			(,168)	,504

Break even point - $\frac{4\ 286}{,504}$ = 8 504 units p.a.

contd/.....

Private pensioners in old age homes

2. Mr. G. N. OLDFIELD asked the Minister of Social Welfare and Pensions:

(1) Whether the number of private pensioners who may reside in old age homes is subject to a limitation; if so, what is the limitation;

(2) whether he has given consideration to relaxing such limitation in order to assist private pensioners of limited means being admitted to old age homes; if so, to what extent; if not, why not.

THE MINISTER OF SOCIAL WELFARE AND PENSIONS:

(1) No. The number of residents in the economic income group is, however, restricted. Such restriction varies from home to home.

(2) Yes. An increase of the subeconomic income limit is under consideration at present.

Sun. Exp: 22/4/79

Quiet tax gift for thousands of pensioners

IN AN unsung move which will bring additional inflation relief to thousands of pensioners, the tax authorities have quietly made tax deductible the lump sum contributions employers can make for the benefit of former workers now on company pensions.

The concession is pinpointed by Fiachra O'Hanrahan, managing director of African Pension Trustees — part of the new Alexander Howden group, which emerged from a combination of former Hill Samuel companies with local and overseas broking interests.

Until now, says O'Hanrahan, short of employing pensioners in sheltered positions, it has been impossible, where pensions have been bought for an employer, to grant additional benefits to company pensioners without a drain on current revenue.

As such pensions remain fixed, inflation takes its toll of their purchasing power.

In terms of the concession, lump sum contributions to purchase additional pensions for such pensioners (and in some instances instalment contributions) are allowable against corporate tax.

"This is a major concession which should go a long way towards making the company pensioner's lot easier," says O'Hanrahan.

The concession has been made in terms of Section 11 of the Income Tax Act. The term "employees" in describing for tax allowances for the employer, has been extended to include workers who have retired and who already receive company annuities.

The only provisos are that the contribution does not exceed the amount needed to offset the effects of inflation on the purchasing power of the their annuity, and that the rules of the fund make provision for acceptance of the contribution.

(1) 300

(2) ~~320~~

23/4/78

Sun. Times Bus. 23/4/78

Compulsory pension payments soon?

Monty Hilkowitz . . . first news.

COMPULSORY pension fund contributions for all South Africans — maybe equal to 10 per cent of earnings — is being considered by the Government and might become law within two years.

By IRENE SAUNDERS

The contributions are intended to be paid to privately administered pension funds. There is no suggestion that they be paid to a compulsory State pension scheme.

This forms part of alternative proposals being discussed between top insurance men and Government welfare authorities who clashed last year over the latter's proposals to set up a compulsory State pension scheme.

First news of this was revealed in New York on Tuesday by Liberty Life's Monty Hilkowitz, when addressing an international employee benefits conference.

He said South Africa, in his opinion, could expect a compulsory pension fund programme within two years.

Other top South African insurance men involved in the negotiations with Government are less optimistic than Mr Hilkowitz that the programme will be implemented in the form that he expects and as soon as he expects.

A spokesman for the Department of Social Welfare and Pensions says no definite decision has been taken and, so far as he knew, a compulsory contribution of seven per cent and not 10 per cent was being discussed.

However, a spokesman for the Life Offices Association (which represents the life assurance companies) says the 10 per cent level is contained in the Association's official representations to Government. The 7 per cent, which he was not aware was being discussed, is the level contained in the Government's proposed pay-as-you-go compulsory pension scheme.

Nevertheless, Mr Hilkowitz said negotiations between the Government and private enterprise were "at a very advanced stage".

The talks between the State, the pension fund industry, commerce and manufacturing, were begun after the Government's declaration in 1976 that private enterprise must ensure the adequacy of retirement benefits for the aged, or else the Government would step in and create a compulsory national pension fund for the entire working population of South Africa, Mr Hilkowitz explained.

In 10 years, he noted, the cost of providing old age pensions had increased three and a half times to R114,9-million in 1977 and that in view of this he could not but agree with official moves to create "a stronger retirement base".

Faced with the spectre of a State-run pension system to curtail the lengthening of old-age pensioner welfare queues, Mr Hilkowitz said, the private sector responded strongly with their own input for devising a privately-run system.

Some form of the following principles, Mr Hilkowitz predicts, will ultimately be embodied in legislation:

- A compulsory minimum pension contribution rate of 10 per cent of earnings in total from both the employed and self-employed. Workers earning less than R1 200 per annum would be excluded. Self-employed workers would purchase retirement annuity contracts.
- The preservation of pension rights would become compulsory when workers change jobs.
- Pension rights would be vested after five years service.
- Provident funds would be permitted, but only after a minimum of 10 per cent had been paid into a pension fund to purchase retirement benefits.
- One-third commutation provision would continue if there is an acceptable level of pension purchased from a residual retirement fund.

The LOA's representative in the official discussions, Tony van Ryneveld, said in Cape Town this week that a good spirit of co-operation had developed between both sides.

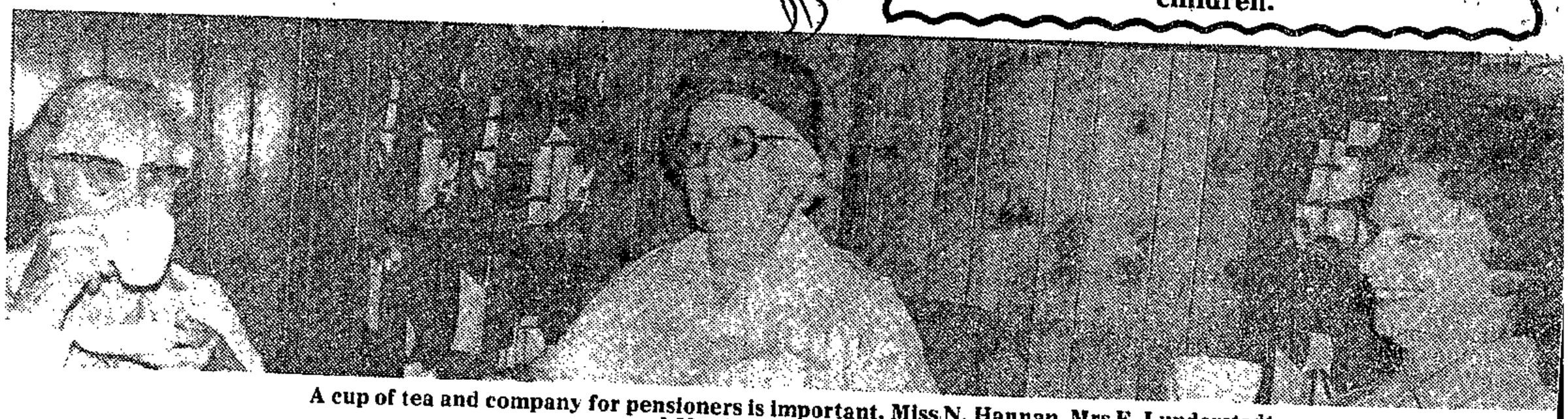
"There was much common ground on the objectives. Every effort was being made to find the best way of meeting the objectives on a sound basis using the extensive and flexible pensions system in the private sector to maximum extent"

See Page 5.

Need for pensioners' centre

300
27/4/79
DD

SHIRLEY SMITH reports on two important social needs in East London: a day centre for pensioners and an educational toy library for mentally-handicapped children.



A cup of tea and company for pensioners is important. Miss N. Hannan, Mrs E. Lunderstedt and Mrs R. Muir enjoy a chat.

The hall was filled with women and there was much chatter at the flower decorated tea tables — notwithstanding the lively music coming from East London's own Mrs Mills, Mrs Prudence Smith, and an upright piano on the stage.

Beyond the tables, some women were trying on clothes, behind wooden screens, in an area known as Petticoat Lane, where, once a month clothing bargains can be had.

It was Toc H tea party day, which is held once a month.

Chatting to the senior citizens at that party revealed how much social functions mean to them. They literally attend every organised event available, provided they can manage the transport problems.

A feature of the Toc H tea party is community singing, led by Mrs Smith, and a birthday parade, when celebrating members are congratulated in song and presented with posies.

The tea, sandwiches and cakes provided by Toc H women and helpers rapidly disappear and then, equally rapidly, the ladies themselves disappear — either to do some shopping or visiting or some other chore, or to undertake the journey home.

Getting from place to place is not easy for the pensioner, for often walking is difficult and climbing steps into a bus is next impossible.

Money is the biggest problem though, for the pensioner living on a state pension is simply inadequate to maintain life decently. And that means that an increase in bus fares can cause many to find it impossible to attend some of their favourite functions.

Conversation with the women at the tea party continually stressed that a place to go to, for fellowship, for entertainment and also for prepared and tasty food, is a much felt need.

Facilities for the aged are lacking in East London — (several of the women quoted, with admiration, Durban's day centre for the aged), and some existing facilities have been withdrawn.

For instance, the bus service which used to be provided, to transport older folk from the Guild Theatre after a show, is no longer available. And, more seriously, the use of the provincial administration car for transporting the aged to the hospital out-patient's department, has been withdrawn from all except those who are bed-ridden.

Clearly there is need of help in many areas for East London's senior citizens, in spite of the East London Senior Citizen's Association, which is a welfare organisation already operating a social worker's office in the city.

Marlene Rose is the registered social worker for the association and Joyce Shaw the assistant social worker.

They act as advisers to the aged and their relatives and will help them gain admittance to old-age homes.

The social worker regularly visits clients in their homes or boarding houses and if at any time, any of them are confined to bed, voluntary helpers assist by taking cooked meals to them.

However, operating in that manner means handling only the basic necessities in the lives of the aged. Therefore the social workers and their helpers would like to see a Day Service Centre established in the central area of East London. To that end they have already purchased a suitable house in upper Oxford Street.

Provided the need for such a centre can be proved, the Department for Social Welfare and Pensions will grant permission for its establishment.

In that way, aged residents could find support, fellowship, advice and entertainment, within walking distance or within bus access of their homes.

"It is important for old people to remain in their homes," said Joyce Shaw, vitally important to the health and well-being of aged people.

Plans to enter a home should be made only when they become incapable of looking after themselves.

The Day Service Centre, when established, will extend the services already provided by the social worker's office.

It is envisaged that the centre will provide a small, community hall for film shows, musical recitals, lectures, card parties and other forms of entertainment.

There will be a reading area, provided with books and periodicals and a tea room served by a kitchen, to provide teas and light meals.

A small shop will be established, for the sale of home craft products, produced by members.

And, as well as a workroom for occupational therapy, there will be cubicles for hairdressing, chiropody and physiotherapy.

The social workers will of course operate from the centre.

It is hoped too, to provide paid, home help and transport to and from the centre, for those who need either facility.

The monthly pension is simply inadequate to maintain life decently. And that means that an increase in bus fares can cause many to find it impossible to continue functioning within the community for as long as possible."

A feeling of independence and the security of their own, familiar environment are

Star 15/5/79

12 old-age homes in Pretoria house plan

Own Correspondent

Twelve old-age homes to accommodate 1 268 are to be built in Pretoria during the next three years as part of a R17-million housing boost for the city.

Funds for these homes for the aged take up most of the R7-million which has been earmarked for white housing by the Department of Community Development during the next three years.

Funds for the provision of housing for other race groups are as follows:

- R4,8-million for Indian housing. This includes a 156 unit block of flats and 400 economic houses.
- R1,7-million for the provision of 234 houses for coloured families in Eersterust.
- R3-million for a hostel and extensions to schools administered by the Central Transvaal Administration Board.

Of this amount R1,67-million will be spent on a 2 232-bed hostel in Mamelodi and the rest will be used for extensions to schools.

In addition to the R7-million allocated for white housing a further R500 000 will be spent on renovations and improvements.

Star 16/5/79 (300)

Equal pension rights rejected

THE ASSEMBLY — The Minister of Health, Dr van der Merwe, said yesterday he would not allow himself to be steamrollered into a corner as far as an Opposition call for equal pension benefits for women holding high public office was concerned.

Speaking in the second-reading debate on the Judges Pensions Amendment Bill, the Minister said he appreciated the fact that women MPs, senators and judges would want to provide for their widowers and other dependants.

Over the years, however, the question of persion benefits had always been an arrangement between employer and employee, and this was still the case.

If he were to accede to requests from Mrs Helen Suzman (PFP, Houghton) for similar pension benefits for women in high public office, it would affect thousands of high-ranked women in the public service. The implications and costs involved would be enormous. — Sapa.

DEPARTMENT OF SOCIAL WELFARE AND PENSIONS

No. R. 1096 25 May 1979

AMENDMENT OF THE REGULATIONS UNDER THE GOVERNMENT SERVICE PENSION ACT, 1973

By virtue of the powers vested in me by section 17 of the Government Service Pension Act, 1973 (Act 57 of 1973), I, Schalk Willem van der Merwe, Minister of Social Welfare and Pensions, in consultation with the Ministers and Administrators referred to in subsection (6) of the said section, hereby amend the regulations promulgated by Government Notice R. 1062 of 22 June 1973, as amended, as set out in the Schedule hereto.

S. W. VAN DER MERWE, Minister of Social Welfare and Pensions.

SCHEDULE

1. Regulation 3 is hereby amended by the substitution in subregulation (2) for the expression "2,85" of the expression "3,05".

2. The provisions of this Schedule shall be deemed to have come into operation on 1 April 1979.

DEPARTEMENT VAN VOLKSWELSYN EN PENSIOENE

No. R. 1096 25 Mei 19

WYSIGING VAN REGULASIES KRAGTENS D REGERINGSDIENSPENSIOENWET, 1973

Kragtens die bevoegdheid my verleen by artikel van die Regeringsdienspensioenwet, 1973 (Wet 57 1973), wysig ek, Schalk Willem van der Merwe, Mini van Volkswelsyn en Pensioene, hierby na oorleg die Ministers en die Administrateurs vermeld in subartikel (6) van genoemde artikel, die regulasies afgekondig by Goewermentskennisgewing R. 1062 van 22 Junie 1973, soos gewysig, soos in die Bylae hiervan uiteengesit.

S. W. VAN DER MERWE, Minister van Volkswelsyn en Pensioene.

BYLAE

1. Regulasie 3 word hierby gewysig deur in subregulasie (2) die uitdrukking "2,85" deur die uitdrukking "3,05" te vervang.

2. Die bepalings van hierdie Bylae word geag op 1 April 1979 in werking te getree het.

trees and we had a Carabinier with a gunshot fracture of the thigh as the result. We wounded and captured one Boer and a few others were seen to fall but escaped among the trees and rocks.

6th October The Greys and one gun were sent off to a place on the banks of the White Umfolosi some 15 miles on, to meet a full convoy coming from Nqutu. The Civil Surgeon of the Natal Carabiniers was returning to his station which was Nqutu and was to accompany us. I only accidentally heard this a few minutes before moving off. I at once determined to take the fractured thigh case with me and send him on to Nqutu with the Civil Surgeon. Nqutu is only 32 miles from Dundee so that the patient would soon be in a comfortable hospital instead of trekking in our ambulance.

(iv) Proportional Mortality, accounted for by specific conditions.

(v) Expectation of Life. This was calculated both at birth (e_o) and at 45 years of age (e_{45}) for both males and females. It expresses the average number of additional years an individual would be expected to live beyond birth and 45 years.

For Africans, the proportional mortality was the only index calculated.

RESULTS

Hansard 17 6/6/79 (305)

ates (SMR)
Whilst
indices
comparatively

Delay in payment of social pensions to Blacks (305)

*3. Mr. G. N. OLDFIELD asked the Minister of Plural Relations and Development:

(1) Whether there was a delay during May 1979 in the payment of social pensions to Blacks in the Durban area and its environs; if so, (a) what were the reasons for such delay and (b) what steps have been taken or are contemplated to obviate delays;

(2) what is the average period between the date of application of an applicant for a social pension and the date of the first payment of such pension;

(3) whether any steps are contemplated to expedite the processing of applications for social pensions; if so, what steps; if not, why not.

†The DEPUTY MINISTER OF PLURAL RELATIONS AND DEVELOPMENT:

(1) Yes. Only at kwaMashu.

(a) In a few cases the pension vouchers for March/April 1979 were not received from the kwaZulu Government.

(b) The processing and preparation of some 120 000 pension vouchers which were previously done by my Department has been taken over by the kwaZulu Government since 1 March 1979 and as this is a new service to them they experienced teething troubles. The kwaZulu Government is attending to the matter.

(2) Four months.

(3) No. All applications for pensions are treated as urgent and if necessary overtime is worked to have new application forms processed timeously.

The age specific mortality rates are summarised in Fig. 4. Since death is inevitable, it is to be expected that decreases in the mortality experience of younger age groups will give rise to a corresponding increase in mortality amongst elderly persons. Thus, although it is to be expected that for both whites and 'coloureds' the mortality rates for persons over the age of 65 years have shown a rising trend, it is of some concern that the mortality rates have also increased between 1960 and 1970 for 'coloureds' in the 25-44 and 45-64 years age groups.

The imbalance between the age specific mortality rates of whites and 'coloureds' has improved or remained constant for persons between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 28,0% of the mortality of 'coloured' children;

by 1970, this figure had decreased to 15,7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15,2% to 7,1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality expe red' and African communities.

During the period 1929 to 1970, the whites ha of mortality which is classically associated Infectious diseases have become less importan are increasingly related to Cardiovascular an 'coloureds' and Africans, however, have a per deaths caused by infectious diseases. The A mortality which is characteristically associat whilst the 'coloureds' appear to occupy an int whites and Africans, although it is clearly mu Africans than it is to the whites.

What is of particular concern about the 'interm 'coloureds' is that it would appear to incorpor developed and the developing experiences. Thi es Table II which provides a more detailed analysi contributing to the overall mortality of the whites and 'coloureds' in the form of cause specific mortality rates for defined age groups. Thus, although cardiovascular diseases are consistently responsible for a fairly small proportion of the overall mortality of the 'coloureds', Table I indicates that the actual rates for cardiovascular diseases have been fairly similar for both whites and 'coloureds' since 1941.

Clearly, the broad diagnostic categories used in this analysis conceal a certain amount of information. However, because of the changes in disease classification which have taken place since 1929, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 5/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

No. R. 1179 8 June 1979

THE SOCIAL PENSIONS ACT, 1973

AMENDMENT OF REGULATIONS

The Minister of Indian Affairs has, under and by virtue of the powers vested in him by section 17 of the Social Pensions Act, 1973 (Act 37 of 1973), in so far as the administration of the Act has been assigned to him by Proclamation 219 of 1973, made the regulations set out in the Schedule hereto, with effect from 1 October 1978.

SCHEDULE

1. In this Schedule, unless the context otherwise indicates, the expression "the Regulations" shall mean the Regulations promulgated under Government Notice R. 568 of 5 April 1974, as amended by Government Notices R. 1454 of 23 August 1974, R. 2365 of 20 December 1974, R. 674 of 23 April 1976, R. 1305 of 30 July 1976 and R. 1774 of 9 September 1977.

2. Regulation 15 of the Regulations is hereby amended—

(a) by the substitution in subregulation (1) (a) for the expression "R510,00" of the expression "R573,00"; and

(b) by the substitution in subregulation (1) (b) for the expression "R762,00" of the expression "R825,00".

No. R. 1179 8 Junie 1979

WET OP MAATSKAPLIKE PENSIOENE, 1973

WYSIGING VAN REGULASIES

Die Minister van Indiërsake het, kragtens artikel 17 van die Wet op Maatskaplike Pensioene, 1973 (Wet 37 van 1973), vir sover die uitvoering van die Wet by Proklamasie 219 van 1973 aan hom opgedra is, die regulasies in die Bylae hierby met ingang van 1 Oktober 1978 uitgevaardig.

BYLAE

1. In hierdie Bylae, tensy uit die samehang anders blyk, beteken die uitdrukking "die Regulasies" die Regulasies uitgevaardig by Goewermentskennisgewing R. 568 van 5 April 1974, soos gewysig deur Goewermentskennisgewings R. 1454 van 23 Augustus 1974, R. 2365 van 20 Desember 1974, R. 674 van 23 April 1976, R. 1305 van 30 Julie 1976 en R. 1774 van 9 September 1977.

2. Regulasie 15 van die Regulasies word hierby gewysig—

(a) deur in subregulasie (1) (a) die uitdrukking "R510,00" deur die uitdrukking "R573,00" te vervang; en

(b) deur in subregulasie (1) (b) die uitdrukking "R762,00" deur die uitdrukking "R825,00" te vervang.

F.M. 20/6/75 (286)

PENSION FUNDS — THE FUR FLIES

A confrontation between Seifsa and the insurance industry has been precipitated by the introduction this month of a new pension scheme for the iron, steel, engineering and metallurgical industries.

The scheme — which involved the conversion of the Metal Industries Group Life and Provident Fund into a contributory pension fund — was introduced in terms of an agreement under the Industrial Conciliation Act. It is binding on the 100 000-odd workers whose trade union leaders and employers' associations are signatories to the Agreement.

About 6 000 companies are involved, and an unascertainable number have up to now supplemented the now-superseded low-benefit metal industry pension scheme with domestic schemes. Should an employer wish to maintain a domestic scheme, exemption must be applied for to the Industrial Council. And here friction has occurred.

Seifsa director Errol Drummond has notified Registrar of Financial Institutions Wynand Louw that consistent attempts have been made by the insurance industry to denigrate the new pension scheme, and that clients affected by the scheme have been advised to apply for exemption.

He tells the *FM* that some 350 applications for exemption have been received, but that a "negligible proportion" of requests have been granted, since "an examination reveals that in most of the domestic schemes, for which application for exemption has been made, the benefits, *per se*, would not measure up to those which the industry fund would be able to provide".

He believes opposition to the industry scheme arises from the cupidity of insurers, insurance brokers and others involved in managing pension funds, pointing out that an additional R11m a year will be paid into the Fund — which stood at over R80m before conversion — by contributors.

Drummond has made (among others) the following allegations to the Registrar:

- That commissions payable to insurance brokers and insurance and pension consultants by insurance companies are up to and in excess of 50% of the annual premium paid by the individual pension funds up to periods of five years (and longer in some instances) and thereafter a 5% commission in perpetuity.
- That "kick-backs" occur in brokerage deals.

Drummond wants the Registrar to investigate all aspects of pension fund administration with a view to introducing minimum and standard commissions.

The insurance industry rebuts these accusations forcefully. "Drummond," says Paul Clipsham, director of Hill Samuel's wholly-owned subsidiary African Pension Trustees, "is setting up a smokescreen." The new scheme, he argues, is a bad one "due to its outmoded benefit structure which makes minimal provision for service prior to 1975".

The metal industry scheme benefits are based on a 2,042% calculation of the member's total pensionable remuneration from the inception of the scheme (June 2 this year) to the termination of employment by retirement or otherwise. This, says Clipsham, "takes no account of the effects of inflation. A modern scheme bases benefits on about 2% of final salary, not 2% of average salary over the years."

As for allegations of abnormally high commission rates, they "reflect Drummond's lack of knowledge of the pension movement".

Commission for large funds, Clipsham says, is on average 4% for the first year and 2% of the premium per year thereafter. Clipsham also claims that while "some of the rats and mice" of the insurance industry may indulge in kick-backs, the practice is scarcely the norm.

Other brokers and insurers endorse these statements. Clients have, indeed, been advised to apply for exemption, but the reason is that until very recently details of the scheme were deliberately kept unavailable.

Drummond has said that this was to prevent indpendent insurers moving in with their own schemes. Insurers retort that competition would be no bad thing, since the independents are highly geared to manage these funds. One leading broker questioned whether the managers of the new fund could match the financial expertise of the insurers, who, he claimed, have an outstanding track record.

Meanwhile, there have been rumblings from the shop floor about the scheme. Union leaders, however, claim these have been stilled following explanation of the benefits — which include full transferability of pension entitlements and rights to benefits (including employers' contributions) after 10 years continuous service.

"It's a very good scheme," avers Tucsa president Tom Murray, who is chairman of the Industrial Council which set up the scheme. "The thing is, we can guarantee a square deal. The workers at first knew little about it; but now, after a good think, they've accepted it."

Wynand Louw has said that pension business is a "non-problematical" area (*FM*, June 6). Drummond's approach is designed to throw the cat among the pigeons and an early and public response by the Registrar — who will not comment "at this stage" — would be in everyone's interest.

300 22/1/...

Day centre for aged planned

EAST LONDON — A day centre for the aged is to be established in Southernwood, with rest rooms, facilities for meals, physiotherapy and occupational therapy, the chairman of the East London Senior Citizens Association, Mr Keith Whitfield, said in his report at the association's annual meeting last night.

The association has applied for low cost finance and submitted plans to the Department of Social Welfare.

"The outcome of the application is awaited with keen anticipation," Mr Whitfield says in his report read in his absence by the vice-chairman, Dr M. Abramson.

"Our association has been conscious for some time of the large numbers of senior citizens living in boarding establishments and flats in the Southernwood and central city areas.

"The only valid criticism against the project is that it is too small. On the other hand, our association prefers to start cautiously and develop as the need arises," Mr Whitfield said.

The association's assets have for the first time exceeded R1 million. More than R1,16 million of the nearly R1,17 million assets is in land and buildings owned by the association. These are pledged as security for long-term loans totalling over R614 000 from the municipality.

The association now owns Fairlands Home for the Aged, Red Cross House and has recently bought the central property for the day centre. The recently opened frail and aged wing at Fairlands had cost about R400 000, bringing the value of all buildings there, including the 60 cottages, to R1,1 million.

There were now 36 nursing staff members and 49 administrative and domestic staff at the home. — DDR

Few full text see Acts 1979

(300)

REPUBLIC OF SOUTH AFRICA

GOVERNMENT GAZETTE

STAATSKOERANT

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VOL. 168] CAPE TOWN, 22 JUNE 1979 [No. 6518
KAAPSTAD, 22 JUNIE 1979

DEPARTMENT OF THE PRIME MINISTER

No. 1325. 22 June 1979.

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

No. 75 of 1979: Temporary Employees Pension Fund Act, 1979.

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 1325. 22 Junie 1979.

Hierby word bekend gemaak dat die Waarnemende Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 75 van 1979: Wet op die Pensioenfonds vir Tydelike Werknemers, 1979.

Act No. 75, 1979 TEMPORARY EMPLOYEES PENSION FUND ACT, 1979.

ACT

To provide for the payment of pensions and other financial benefits to certain temporary employees and their dependants; and to provide for matters connected therewith.

(Afrikaans text signed by the Acting State President.)
(Assented to 13 June 1979.)

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

Definitions.

1. In this Act, unless the context otherwise indicates—
(i) "annuity" means an amount which is payable each year; (v)
(ii) "benefit" means an amount of money; (xix)
(iii) "dormant member" means a dormant member as defined in regulation 1 of the regulations promulgated by Government Notice No. R.652 of 25 April 1969; (xv)
(iv) "fixed date" means the date of commencement of this Act; (xviii)
(v) "Government" means the Government of the Republic and includes a provincial administration; (xiii)
(vi) "Government Employees' Provident Fund" means the fund referred to in section 2 (3) of the Government Service Pension Act, 1965 (Act No. 62 of 1965); (xii)
(vii) "Government Non-White Employees' Pension Fund" means the pension fund established in terms of section 2 (2) of the Government non-White Employees Pension Act, 1966 (Act No. 42 of 1966); (viii)
(viii) "member", in relation to the Fund, means a person referred to in section 5 and includes such a person who is absent with or without leave or has been suspended from duty and who immediately before such absence or suspension was contributing to the Fund; (vi)
(ix) "Minister" means the Minister of Social Welfare and Pensions; (vii)
(x) "pensionable emoluments" means that part of the remuneration and allowances of a member prescribed as pensionable; (x)
(xi) "pensionable service", in relation to a member, means any period of service as defined in the regulations and includes any period which in terms of the regulations is reckoned as pensionable service of that member; (ix)
(xii) "pensioner" means any person who receives an annuity under this Act; (xi)
(xiii) "prescribe" means prescribe by regulation; (xx)
(xiv) "previous fund" means the Government Non-White Employees' Pension Fund or the Government Employees' Provident Fund; (xxi)
(xv) "regulation" means any regulation made under this Act; (xiv)
(xvi) "repealed Act" means an Act referred to in section 9; (ii)

Pension delays affect thousands of blacks

Many pensioners wait for hours in vain

By MARIAN SHINN

SOME old Natal blacks are still waiting to learn if they qualify for pensions eight years after they applied. Applications by thousands more have been delayed for months since KwaZulu pension records were computerised at Ulundi in January.

Many areas have not had any applications approved so far this year.

Pretoria for checking.

The change over came as a bit of a surprise to the many officials handling pension applications and pay-outs.

In Durban, the commissioner of Co-operation and Development received a telegram from Ulundi on December 21 asking that from January 1 all applications be sent there instead of Pretoria.

The Durban office, which administers the pensions for KwaMashu, has about 400 applications outstanding since the beginning of the year. It has not even had a programme and as a result of that there have been delays but we are practically on top of that — I hope — at the moment. As far as I can see there are no more delays at the moment than there were under the old system."

He said the applications would have to continue to be checked in Pretoria until KwaZulu had its own reference book checking system.

He said taking over the pensions records from Pretoria was a "policy decision over which we had no control. We have a computer and it has to be used to make it economical."

He denied that the system was forced on his department before it were ready for it. He said the change over had been delayed at his request because staff were being trained to cope "It's a very new department. They've been trained from the ground."

In the Durban area where the Black Sash recently criticised the inefficiency of the pensions system changes are being made.

Mr William Lee-Roberts, administrative control officer at the commissioner's office, said pension applicants would soon be informed by post when their applications had been passed and when they should report for their first pay-out.

Meanwhile the old people are repeatedly told to return to the magistrates' courts where pension applications are filled in and pensions paid "next month".

The Black Sash has records of people paying monthly visits to payout points for more than a year. The Christian Agricultural Project in the Msinga area knows of several cases which have been going on for as long as eight years.

So as much as the KwaZulu Government would like to blame the delays on the "change over" and "teething problems with the computer", the problem goes back further than that.

The change over took place at the beginning of the year. Previously all pensions applications were sent to the Department of Co-operation and Development in Pretoria for checking with the central records. The pay-out cards were issued by Pretoria.

Now the applications are routed through Ulundi where all the pensions records are kept on computer. But the applications still have to be sent to

pension application rejected yet.

At Umzinto the position is much the same. There are "hundreds" of applications which have been sent to Ulundi but no approvals have come through this year.

Ndwedwe — a smaller area — has had one approval this year but there are still 50 outstanding.

At Mpumalonga there are hundreds of applications outstanding and more rejections than approvals so far this year.

Figures are not known for other areas but officials have indicated that the picture must be the same elsewhere.

With the old system pension applications used to take anything from six weeks to six months to be processed if all went well. Durban reported that six weeks was about the usual time the application took while at areas outside Durban it was said that applications usually took six months to come through and the extra leg in the applications' journey could only make the wait longer.

Dr Frank Constable, director of the Department of Health ahd Welfare at Ulundi, said it was nonsense that many places had not had applications approved so far this year. "I am signing them all the time."

He later revealed that he only signed the disability grant applications and an official in the pensions office signed the pension applications.

He said he was too busy to check with this official whether he was also busy signing applications, but presumed he was.

Dr Constable said there had been hitches in the change over. "We have had problems with the computer. There have been several gremlins to chase out of the pro-

Sally Ross

Sally scoops pool

Tribune Reporter

THE Community Chest mini-crossword has been won by Mrs Sally Ross of Marine Parade, Durban, after a four-way play-off to decide the winner.

No one had a completely correct answer so the Chest organised a second competition, estimate the amount distributed to member societies by the Durban and District Community Chest last year. Mrs Ross won . . . although she was still out by R852 160!

Thrilled with her win — R500 cash and a portable television set — she said she had no idea what she would do with the money "but I'll probably use it to enter a lot more crossword competitions!"

(380)

For full text see Acts 1979

STAATSKOERANT

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VOL. 169] KAAPSTAD, 4 JULIE 1979 [No. 6549
CAPE TOWN, 4 JULY 1979

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 1441. 4 Julie 1979.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 100 van 1979: Wysigingswet op die Pensioenwette, 1979.

DEPARTMENT OF THE PRIME MINISTER

No. 1441. 4 July 1979.

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

No. 100 of 1979: Pension Laws Amendment Act, 1979.

Act No. 100, 1979 PENSION LAWS AMENDMENT ACT, 1979.

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 Republic of South Africa Constitution Act, 1961, so as to make further provision relating to the payment of pensions to the widows of certain persons who occupied the office of State President; to amend the Members of Statutory Bodies Pension Act, 1969, so as to substitute the definition of "final salary"; to make further provision relating to the payment of annuities to the widows of persons who were in receipt of certain annuities; and to create a certain presumption relating to the nature of the service of a person who served simultaneously on two or more statutory bodies in a paid capacity; to amend the Associated Institutions Provident Fund Act, 1971, so as to substitute the definitions of "associated institution" and "department"; and to provide for the retention of membership of the Associated Institutions Provident Fund by a member who is transferred and appointed to a post in respect of which he would otherwise be liable to become a member of the Government Service Pension Fund; to amend the Parliamentary Service and Administrators' Pensions Act, 1971, so as to substitute the definition of "pensionable service under the applicable pensions ordinance"; and to provide for the payment of gratuities in the case of members who die and are not survived by a widow or children; to amend the Military Pensions Act, 1976, so as to further regulate the date with effect from which pensions may be paid; to amend the General Pensions Act, 1979, so as to extend the provisions relating to the protection of pensions on insolvency to other pension benefits; and to provide for the pension rights of persons in the employment of local authorities who become employees of a water board; and to provide for incidental matters.

(English text signed by the State President.)
(Assented to 21 June 1979.)

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

Amendment of section 15 of Act 32 of 1961, as amended by section 18 of Act 102 of 1965, section 2 of Act 79 of 1968, section 1 of Act 93 of 1971, section 2 of Act 48 of 1974 and section 1 of Act 77 of 1974.

1. Section 15 of the Republic of South Africa Constitution Act, 1961, is hereby amended by the substitution for paragraph *(b)* of subsection (1) of the following paragraph:

"*(b)* to the widow of any such person **[, unless her marriage to him took place after the date on which he vacated office,]** a pension at the rate of three-quarters of the rate of the pension payable to such person.".

STAR LINE

Fruit-juice promoters were paid

It took two demonstrators more than nine months to be paid for promotions they had done for a fruit-juice company — and then only with the help of Star Line.

Mrs S Southin and Mrs P Rooker, both of Randburg, approached Star Line towards the end of last year saying they had not been paid for work they had done for Vita-C Products (Pty) Ltd of Pretoria.

Mrs Southin said she had not been paid for five promotions she had carried out at supermarkets in Johannesburg and Mrs Rooker claimed 13 days' pay for work all over the Reef.

Mrs Southin said she was owed R85 and Mrs Rooker claimed R153. They said they had been told by Mr G A C Ehlers and his son, Mr H Ehlers, the directors of Vita-C, that before they could be paid, records had to be submitted by Miss L Conlyn, the agent who employed the demonstrators. Miss Conlyn had since left the firm without submitting these promotion cards.

It proved extremely difficult for Star Line to contact the company. The first letter was returned "address unknown." When the firm's new address and telephone numbers were eventually located, several telephone calls, letters and messages went unanswered.

Two months later Vita-C insisted that before paying the promoters they required the promotion cards listing dates of promotions and quantities of juice sold. The cards were required to be signed by the promoter, Miss Conlyn and the relevant store managers.

Vita-C would not accept signed statements by Miss Conlyn confirming the amounts owing to the two demonstrators.

Both Mrs Southin and Mrs Rooker denied they had been told of the cards. Mrs Southin also submitted a list of 26 previous promotions she had done for the company. She said she had been paid promptly for these although she had not submitted promotion cards.

Four months after Star Line had taken up the matter, Mr Ehlers, sen, agreed to pay Mrs Southin her R85 on condition she returned certain equipment which had been used in the demonstrations.

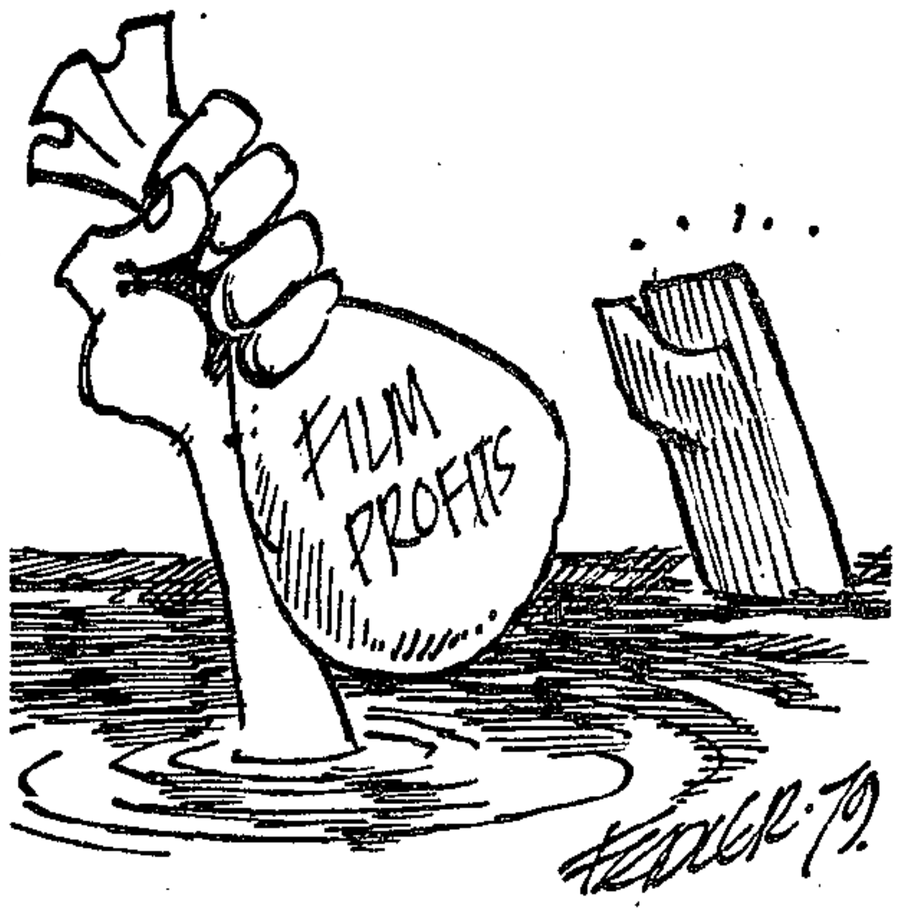
Mrs Southin's cheque arrived promptly, but was handed over only when she brought the equipment into the Star Line offices.

She had refused to return it to Pretoria, maintaining she had collected it in Johannesburg. Mr H Ehlers had agreed to collect it from Star Line, but five months later he had not done so.

Two months after paying Mrs Southin, Mr H Ehlers agreed to pay Mrs Rooker. She was to collect her cheque at the Pretoria office at the same time as she returned the fruit juice vacuum container.

Some months later Mrs Rooker confirmed she had received her cheque but pointed out it was for R145,50 only. The sum of R7,50 had been deducted for a missing drip-tray.

She said she intended to take this up with the firm after she returned from holiday in two months' time.



Following the intervention of Star Line, a firm which showed a surfing film for the Wits Underwater Club paid the club its share of the film profits.

Surfing film was not a wipe-out

The Wits Underwater Club came to Star Line when it thought Shaun Tomson Surfboards of Durban may have sunk with the profits of a film show the club had held.

Mr Ernest Tomson telephoned the club to ask whether it would show a film featuring his son, Springbok surfer Shaun Tomson. The arrangement was that the club, in return, would receive 10 percent of the net profits from various showings.

The club was to reserve a hall, help at the door and arrange the advertising of the film, which was shown several times in October last year.

The chairman of the club, Mr R Bruschi, estimated that about 300 people attended the showings. The entrance fee was R1,50 which, he believed, would have made the takings about R450.

Mr Bruschi wrote two registered letters to Shaun Tomson Surfboards in March and May this year asking about the promised share of the profits, which the club had not received.

When he received no reply, Mr Bruschi contacted Star Line.

The day after Star Line wrote to Shaun Tomson Surfboards the club received a cheque for R46,24 "being 10 percent of the new profit of our showing at Wits University," according to Mr Tomson.

"In finalising all the commitments concerning the showings of the movie I admit this has just been an oversight on my part," Mr Tomson explained.

Pension arrears lapsed because of red tape

A Tembisa woman was desperate when her old age pension was stopped for no apparent reason.

The pensioner, Mrs Maria Ngoalskeng, was brought into Star Line by her daughter's employer after she had tried for a year to get the pension re-instated.

Mrs Ngoalskeng's name had apparently been deleted from the computer print-out at the Department of Plural Relations in Germiston.

Her problems started when she went to the Tembisa pay office in November 1977 to fetch the R36 she received every two months.

She was told to return the next day, which she did. She was then told her pension was not available and she should return in January.

The following sequence of events then took place:

- In January Mrs Ngoalskeng was referred to a social worker, who filled in forms for her.
- In March her pension was still not at the Tembisa collection point.
- In April she took the forms from the social worker to the commissioner's offices in Germiston. She was told to return in May, which she did.
- In June, when she went to the commissioner's offices with her daughter's employer, she was promised an inquiry.
- They went back three more times in June and July with no success.

By the time they approached Star Line in August Mrs Ngoalskeng's pension was a year in arrears.

When Star Line telephoned the commissioner's offices we were told to refer Mrs Ngoalskeng back to the same office she had been visiting regularly since the previous April.

After Star Line wrote to the commissioner and Mrs Ngoalskeng again went to the offices, she was told to collect her pension in September.

She received R41 (the pension had increased). Although she had lost R180 in pension, she was paid only R50,75 arrears.

A representative from the commissioner's offices told Star Line Mrs Ngoalskeng's pension vouchers were returned three successive times. As a result her pension lapsed, he said.

Mrs Ngoalskeng had to claim a rebate from the Department of Finance, he said.

That department forwarded the claim to the Department of Social Welfare and Pensions, which forwarded it to the Secretary of Plural Relations.

Star Line was later informed that a unique payment had been made to Mrs Ngoalskeng but when Star Line asked about the balance of the arrears, we were quoted the Social Pensions Act of 1973, in which it stated that any pension lapses when not collected for three consecutive occasions.

STAATSKOERANT

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VOL. 169] KAAPSTAD, 13 JULIE 1979 CAPE TOWN, 13 JULY 1979 [No. 6571

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 1534. 13 Julie 1979.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 106 van 1979: Wet tot Aanvulling van Pensioene, 1979.

DEPARTMENT OF THE PRIME MINISTER

No. 1534. 13 July 1979.

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

No. 106 of 1979: Pensions (Supplementary) Act, 1979.

ACT

To provide for certain pensions, grants, gratuities and other benefits.

(English text signed by the State President.)
(Assented to 2 July 1979.)

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

Granting of certain benefits.

1. Notwithstanding anything to the contrary in any law, every person indicated as a beneficiary in an item of the Schedule to this Act shall be entitled to the benefits specified in that item.

Short title.

2. This Act shall be called the Pensions (Supplementary) Act, 1979.

Schedule

(1) The pension payable to Pauline P. Campher in terms of item 6 of the Schedule to the Pensions (Supplementary) Act, 1976 (Act No. 96 of 1976), shall be increased from R1 800 to R2 400 per annum with effect from 1 July 1979.

(2) There shall, with effect from 1 July 1979, be paid *ex gratia* to Gertruida G. Groenwold, formerly temporary sister, Hospitals Department, Provincial Administration of the Cape of Good Hope, a pension of R1 200 per annum.

(3) There shall be paid to T. H. Lee, formerly No. 69889, able seaman, S.A. Navy, a pension of R504 per annum with effect from 1 July 1979.

(4) There shall be awarded, on compassionate grounds, to W. Rankin, formerly a senator, a pension of R600 per annum with effect from 1 July 1979.

Higher prices cause pension puzzle

What that 15% pays

Present age	Assuming a 5% p.a. inflation rate: Pension as % of final earnings	Assuming a 5% p.a. inflation rate: Percentage for each year of contribution	Assuming a 10% p.a. inflation rate: Pension as % of final earnings	Assuming a 10% p.a. inflation rate: Percentage for each year of contribution	Assuming a 15% p.a. inflation rate: Pension as % of final earnings	Assuming a 15% p.a. inflation rate: Percentage for each year of contribution
RETIREMENT AT 60						
26	178,9	5,11	89,6	1,99	34,6	0,99
31	127,6	4,25	58,2	1,94	31,8	1,06
36	89,0	3,56	47,1	1,89	28,6	1,14
41	59,9	3,00	36,7	1,83	24,5	1,23
46	38,1	2,54	28,8	1,78	19,8	1,32
51	21,7	2,17	17,4	1,74	14,3	1,43
56	9,3	1,86	8,4	1,69	7,7	1,55
RETIREMENT AT 65						
26	271,4	6,78	90,2	2,25	40,7	1,02
31	196,8	5,62	76,7	2,19	38,1	1,09
36	140,3	4,68	64,0	2,13	35,0	1,17
41	97,9	3,91	51,9	2,07	31,3	1,26
46	65,9	3,30	40,4	2,02	27,0	1,35
51	41,9	2,79	29,4	1,96	21,8	1,45
56	23,8	2,38	19,1	1,91	15,7	1,57

Benefits purchased by contributions of 15% of earnings to a retirement annuity.
Benefits purchased by contributions other than 15% of earnings can be determined on a pro rata basis, eg, if 10% of earnings were contributed the above figures x 10 over 15 would apply.

By PENELOPE MORGAN

ONE of the difficult questions facing professional men is whether to push retirement annuity contributions up to the new tax deductible limit of 15% of earnings.

It means, in other words, they have to decide what is an adequate pension provision.

Of course, not only professional men face this decision. It applies to all self-employed and even those employed who are not members of a pension or provident fund.

The key to the question is to what extent inflation can be expected to erode the value of pension provisions.

Federated Insurance, formerly Federated Employers', actuary, Arnold Basserabie, has calculated the accompanying table to assist those who have to make these decisions.

It is based on several assumptions. One is that earnings will increase by 10% a year and that the full 15% of earnings each year will be contributed to a retirement annuity fund.

Another is that a pension of 2% of final earnings for each year of membership of a retirement fund is commonly accepted as adequate.

To show the effect that different rates of inflation have on pensions purchased, Mr Basserabie has calculated benefits on the assumption of annual inflation rates of 5%, 10% and 15% a year.

For instance, at a 10% a year inflation rate, with 15% of earnings going into the fund each year, the benefits provided on retirement at 65, are for the ages in the left hand column mostly above the 2% mark.

However, on retirement at 60, there is a slight shortfall for each of the ages used in the example.

At a 5% inflation rate, pensions are generally more than adequate against the 2% yardstick.

But at a 15% inflation rate, pensions are hopelessly inadequate for all the ages.

As the inflation rate in this country is presently somewhere between 10% and 15% a year, the self-employed should consider contributing the full 15% of earnings to a retirement annuity fund.

Unless, of course, they consider optimistically that the inflation here will level out at about, or below, 10% for most of the period before retirement.

July 18, 1979

300 AHA 18/7/79

New homes for elderly in N. Natal

Mercury Reporter

ESTCOURT — More than 100 elderly people in northern Natal will benefit when two homes for the aged are completed within the next year here.

Mr. Gorge Cross, the chairman of the local aged homes committee, said yesterday that the new home for 50 is expected to be completed next year at a total cost of about R350 000.

The home will be primarily for single people but there will be a few rooms for married couples.

"We expect all the accommodation to be taken up," said Mr. Cross.

"At present we are circularising all names on our waiting list to make sure they still require the accommodation they originally asked for."

Full board and lodging, laundry and other amenities will be provided and there will be facilities for some frail aged in the home.

Mr. Cross said that applications for a superintendent had already been made.

The home has been built adjacent to a number of existing semi-detached cottages providing accommodation for single elderly people.

At Ladysmith the new home for the frail aged is now making good progress and is expected to be completed by the middle of next year.

It is expected that the first 20 residents will be admitted by July 1.

POST WOMAN

The agony of pension day

Mrs R Smith of the Church of Scientology supports Mrs Ntintili's statement. "The church is the best and convenient distribution point of the pension fund; with the self-help groups also caring for the aged," she suggested.

The liaison officer for the Department of Co-operation and Development, Mr J Jonker said he was prepared to take POST Woman to the centres to find out about the difficulties there as he was not well "informed about the situation."

He added that "maybe you can help find better means of paying out the pensioners."

This old pensioner was one of hundreds of aged people who were turned back home without their pay a few months ago. Her daughter-in-law is at her side for another fruitless long walk.

PENSION day has turned out to be the most traumatic day in the lives of the aged.

Apart from facing the long queues that move at a snail's pace at the pay-out centres, they are subjected to unnecessary disappointments such as going back home without their pay. Some prefer to spend the night at the centres (to avoid the strain of a long walk).

The reasons given by the Department of Co-operation and Development were that there was not enough money for all the pensioners or that the money has been snatched at gun-point.

It was reported in **POST** last week that an old woman in Vanderbijlpark collapsed and died while waiting for her pension. She was Mrs Catherine Langman (83) of Bophelong Location.

Others were later turned back home on that day because three gunmen snatched the R40 000 pension money.

The dead pensioner is the second to die under such circumstances in three months.

Another pensioner in Naledi collapsed and died while waiting for his pension in May. He was Mr Steve Mota of 2099B Naledi.

The plight of pensioners has aroused growing concern in the community. Mrs Irene Ntintili, the 1979 **POST**/Cinzano Woman of the Year who spends her life caring for the aged, challenges all churches in black areas to come to their rescue.

"I see no point why black churches cannot be used as pay-out centres for pensioners. It is unfair for the sickly old people to stand in the cold and hot sun for such long hours," she said.

Mrs Ntintili says if Christian beliefs prevailed in black churches, there could have been no "such touchy" stories about the aged.

The pay-out system is unofficial. The pensioners are given money in cash, with no slip or documentary proof. Their finger prints are their signatures.

Hunger is another enemy that adds to the

This pensioner is one of hundreds of sickly pensioners who have to be carried to the pay-out centres.

Mrs Irene Ntintili with two of her aged friends. She calls on all churches in the black community to help ease their "pay day conditions".

DEPARTEMENT VAN VOLKSWELSYN EN PENSIOENE

No. R. 1631

27 Julie 1979

WYSIGING VAN REGULASIES KRAGTENS DIE REGERINGSDIENSPENSIOENWET, 1973

Kragtens die bevoegdheid my verleen by artikel 17 van die Regeringsdienspensioenwet, 1973 (Wet 57 van 1973), wysig ek, Schalk Willem van der Merwe, Minister van Volkswelsyn en Pensioene, hierby na oorleg met die Ministers en die Administrateurs vermeld in subartikel (6) van genoemde artikel, die regulasies afgekondig by Goewermentskennisgewing R. 1062 van 22 Junie 1973, soos gewysig, soos in die Bylae hiervan uiteengesit.

S. W. VAN DER MERWE, Minister van Volkswelsyn en Pensioene.

BYLAE

1. Regulasie 14 word hierby gewysig deur subregulasie (2) tot en met (6) deur die volgende subregulasies te vervang:

"(2) Indien 'n lid wat minstens 10 jaar pensioengewende diens voltooi het, te sterwe kom, word daar aan die afhanklikes van die lid wat die Sekretaris aanwys of indien geen afhanklikes aldus aangewys word nie, aan sy boedel, 'n gratifikasie betaal wat gelykstaan met die som van die gratifikasie en vyf maal die jaargeld wat ingevolge paragrawe (a) en (b) van regulasie 12 (1) aan hom betaalbaar sou gewees het indien hy op die dag van sy afsterwe weens 'n rede in regulasie 11 (1) (b) vermeld met pensioen uit diens getree het.

(3) Indien 'n pensioenaris te sterwe kom binne 'n tydperk van vyf jaar nadat hy uit diens getree het òf met pensioen afgedank òf ontslaan is, word daar aan

DEPARTMENT OF SOCIAL WELFARE AND PENSIONS

No. R. 1631

27 July 1979

AMENDMENT OF THE REGULATIONS UNDER THE GOVERNMENT SERVICE PENSION ACT, 1973

By virtue of the powers vested in me by section 17 of the Government Service Pension Act, 1973 (Act 57 of 1973), I, Schalk Willem van der Merwe, Minister of Social Welfare and Pensions, after consultation with the Ministers and Administrators referred to in section (6) of the said section, hereby amend the regulations promulgated by Government Notice R. 1062 of 22 June 1973, as amended, as set out in the Schedule hereto.

S. W. VAN DER MERWE, Minister of Social Welfare and Pensions.

SCHEDULE

1. Regulation 14 is hereby amended by the substitution for subregulations (2) up to and including (6) of the following subregulations:

"(2) If a member who has completed at least 10 years pensionable service dies, there shall be paid to the dependants of the member designated by the Secretary or, if no dependants are so designated, to his estate, a gratuity which is equal to the total of the gratuity and five times the annuity which would have been payable to him in terms of paragraphs (a) and (b) of regulation 12 (1) if he had retired on pension for a reason mentioned in regulation 11 (1) (b) on the day of his death.

(3) If a pensioner dies within a period of five years after he retired or was retired or discharged on pension, there shall be paid to his dependants designated by

sy afhanklikes wat die Sekretaris aanwys, of indien geen afhanklikes aldus aangewys word nie aan sy boedel, 'n gratifikasie betaal wat gelykstaan met die som van die jaargeld wat ingevolge regulasie 12 (1) (b) aan die pensioenaris betaal sou gewees het gedurende die tydperk vanaf die eerste dag van die maand wat onmiddellik volg op die datum van sy afsterwe tot en met die laaste dag van die maand waarin bedoelde tydperk van vyf jaar verstryk indien hy nie gesterwe het nie.

(4) Indien 'n lid bedoel in subregulasie (1) te sterwe kom en, na die mening van die Sekretaris nie deur afhanklikes oorleef word nie, word 'n voordeel wat bereken word asof die lid met ingang van die datum van sy afsterwe uit sy diens bedank het, aan sy boedel betaal.

(5) 'n Voordeel of 'n gedeelte daarvan wat ingevolge dié regulasie aan die afhanklikes van 'n lid of pensioenaris betaalbaar is, word aan sodanige afhanklikes betaal in die verhouding wat die Sekretaris bepaal.

(6) Indien 'n lid of 'n pensioenaris te sterwe kom en hy nie oorleef word nie deur 'n weduwee of enige kind soos in die omskrywing van "afhanklike" in artikel 1 van die Wet bedoel, word enige voordeel betaalbaar ingevolge hierdie regulasie aan die afhanklikes van sodanige lid of pensioenaris, aan sodanige van sy ander afhanklikes, indien enige, of aan sy boedel of aan sodanige laasgenoemde afhanklikes en sy boedel in sodanige verhouding wat die Sekretaris bepaal, betaal.".

27 Julie 1979

No. R. 1653

WYSIGING VAN REGULASIES KRAGTENS DIE REGERINGSDIENSPENSIOENWET, 1973

Kragtens die bevoegdheid my verleen by artikel 17 van die Regeringsdienspensioenwet, 1973 (Wet 57 van 1973), wysig ek, Schalk Willem van der Merwe, Minister van Volkswelsyn en Pensioene, hierby na oorleg met die Ministers en die Administrateurs vermeld in subartikel (6) van genoemde artikel, die regulasies afgekondig by Goewermentskennisgewing R. 1062 van 22 Junie 1973, soos gewysig, soos in die Bylae hiervan uiteengesit.

S. W. VAN DER MERWE, Minister van Volkswelsyn en Pensioene.

BYLAE

1. Regulasie 11 word hierby gewysig deur—

(a) in subregulasie (1) na paragraaf (e) die volgende paragraaf in te voeg:

"(f) kragtens artikel 14 (6) (g) van die Staatsdienswet, 1957;".

(b) in subregulasie (2) die uitdrukking "subregulasie 1 (b), (c) of (d)" deur die volgende uitdrukking te vervang:

"subregulasie 1 (b), (c), (d) of (f)".

2. Regulasie 12 word hierby gewysig deur in subregulasie 3 (b) die uitdrukking "paragraaf (b), (c) of (d)," deur die volgende uitdrukking te vervang:

"paragraaf (b), (c), (d) of (f),".

3. Die bepalings van hierdie Bylae word geag op 1 Julie 1979 in werking te getree het.

the Secretary or, if no dependants are so designated, to his estate, a gratuity which is equal to the total of the annuity which would have been paid to the pensioner in terms of regulation 12 (1) (b) during the period as from the first day of the month immediately following the date on which he dies up to and including the last day of the month in which the said period of five years expires had he not died.

(4) If a member referred to in subregulation (1) dies and is not, in the opinion of the Secretary survived by any dependants, a benefit which shall be calculated as if the member had resigned from his employment with effect from the date of his death shall be paid to his estate.

(5) Any benefit or part thereof payable in terms of this regulation to the dependants of a member or of a pensioner shall be paid to such dependants in such proportions as the Secretary may determine.

(6) If a member or a pensioner dies and he is not survived by a widow or any child referred to in the definition of "dependant" in section 1 of the Act, any benefit payable in terms of this regulation to the dependants of such a member or pensioner shall be payable to such of his other dependants, if any, or to his estate or to such last-mentioned dependants and his estate in such proportions as the Secretary may determine.".

27 July 1979

No. R. 1653

AMENDMENT OF THE REGULATIONS UNDER THE GOVERNMENT SERVICE PENSION ACT, 1973

By virtue of the powers vested in me by section 17 of the Government Service Pension Act, 1973 (Act 57 of 1973), I, Schalk Willem van der Merwe, Minister of Social Welfare and Pensions, after consultation with the Ministers and Administrators referred to in subsection (6) of the said section, hereby amend the regulations promulgated by Government Notice R. 1062 of 22 June 1973, as amended, as set out in the Schedule hereto.

S. W. VAN DER MERWE, Minister of Social Welfare and Pensions.

SCHEDULE

1. Regulation 11 is hereby amended—

(a) by the insertion in subregulation (1) after paragraph (e) of the following paragraph:

"(f) under section 14 (6) (g) of the Public Service Act, 1957;".

(b) by the substitution in subregulation (2) for the expression "subregulation 1 (b), (c) or (d);" of the following expression:

"subregulation 1 (b), (c), (d) or (f)".

2. Regulation 12 is hereby amended by the substitution in subregulation 3 (b) for the expression "paragraph (b), (c) or (d)," of the following expression:

"paragraph (b), (c), (d) or (f),".

3. The provisions of this Schedule shall be deemed to have come into operation on 1 July 1979.

most Pleistocene. The essential problem now is to select, from among the many models[21,29,40,41,54], a mechanism capable of reducing effective precipitation throughout the tropics during the latter stages of an ice age.

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DEPARTEMENT VAN VOLKSWELSYN EN PENSIOENE

No. R. 1688 3 Augustus 1979

WYSIGING VAN DIE REGULASIES KRAGTENS DIE WET OP MAATSKAPLIKE PENSIOENE, 1973

Kragtens die bevoegdheid my verleen by artikel 17 van die Wet op Maatskaplike Pensioene, 1973 (Wet 37 van 1973), wysig ek, Schalk Willem van der Merwe, Minister van Volkswelsyn en Pensioene, hierby met ingang van 1 Oktober 1979 die regulasies afgekondig by Goewermentskennisgewing R. 140 van 1 Februarie 1974, soos gewysig, soos in die Bylae hiervan uiteengesit.

S. W. VAN DER MERWE, Minister van Volkswelsyn en Pensioene.

BYLAE

1. Regulasie 14 word hierby gewysig deur—

(a) in subregulasie (1) (a) "R1 056" deur "R1 164" te vervang;

(b) in subregulasie (1) (b) "R1 560" deur "R1 668" te vervang.

DEPARTMENT OF SOCIAL WELFARE AND PENSIONS

No. R. 1688 3 August 1979

AMENDMENT OF REGULATIONS UNDER THE SOCIAL PENSIONS ACT, 1973

By virtue of the powers vested in me by section 17 of the Social Pensions Act, 1973 (Act 37 of 1973), I, Schalk Willem van der Merwe, Minister of Social Welfare and Pensions, do hereby, with effect from 1 October 1979 amend the regulations promulgated by Government Notice R. 140 of 1 February 1974, as amended, as set out in the Schedule hereto.

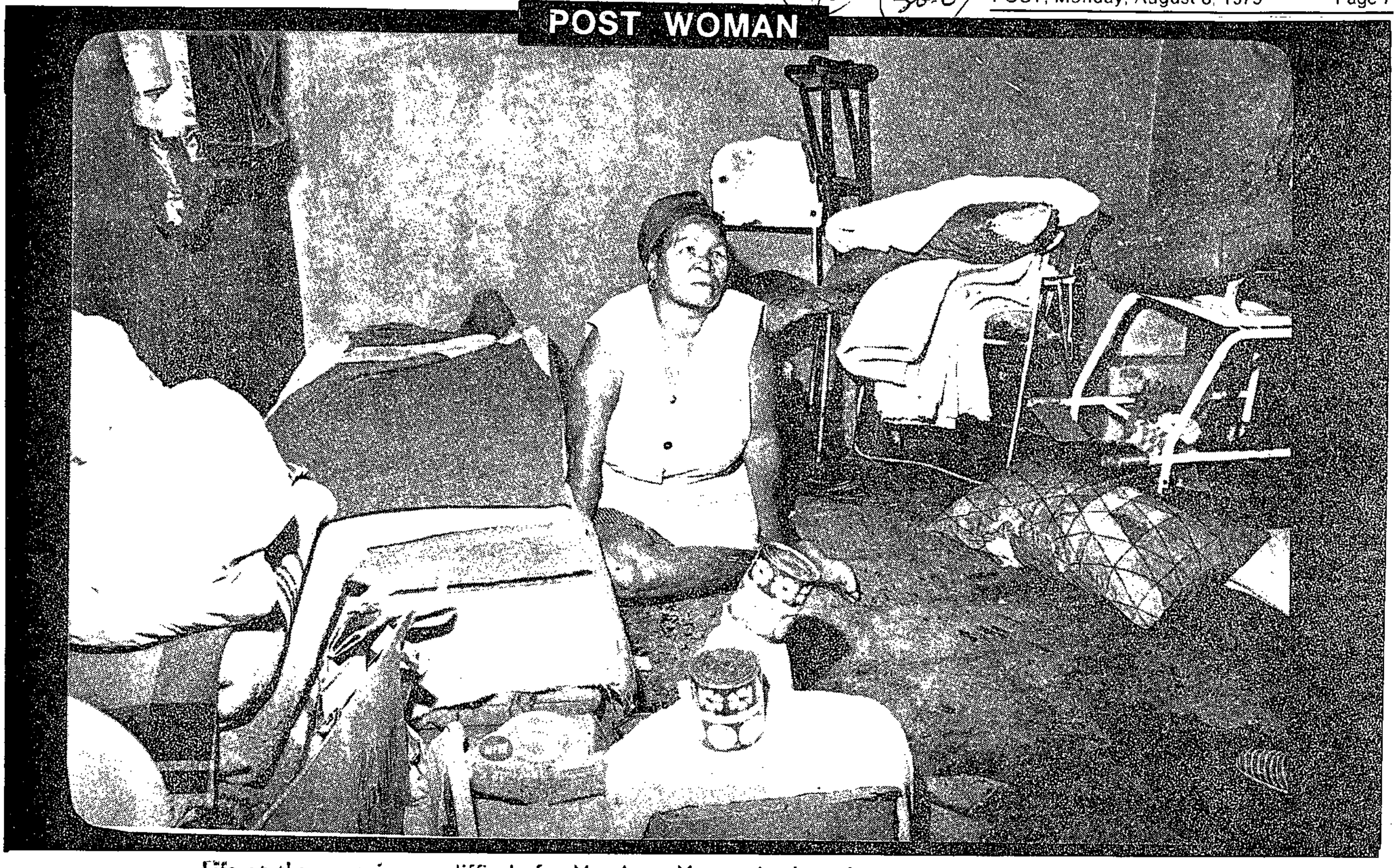
S. W. VAN DER MERWE, Minister of Social Welfare and Pensions.

SCHEDULE

1. Regulation 14 is hereby amended by—

(a) the substitution in subregulation (1) (a) for "R1 056" of "R1 164";

(b) the substitution in subregulation (1) (b) for "R1 560" of "R1 668".



Life at the camp is very difficult for Mrs Anna Mogorosi whose leg was amputated after a car accident.

This is no place in the sun

By SUZETTE NXUMALO

NOT many people know that they exist. Among the ones who know about their existence, few are conscious of their problems and fewer have made it their business to help them. These are the crippled, blind or old inmates of the Naledi Transit Camps.

Having no relatives or friends to care for them and no where to live, they are registered with the welfare section of the West Rand Administration and are presently accepting two four-roomed houses in Naledi, Soweto.

With people being brought in and others transferred, the number of residents in the Naledi houses varies from time to time. Of the 22 adults and children who lived in the houses previously, 12 adults and five children remain.

Their future is uncertain, but while residing at the Naledi camp, their life is one of drabness and gloom, broken only by casual visits to the clinic and bi-monthly trips to pension pay-out centres. On Tuesdays, an employee of the Black Housewives League gives the women sewing, knitting and cooking lessons.

A person they look to with respect, love and hope is Mrs Sally Motlana, President of the Black Housewives League who with her group has provided them with most of their basic needs, shared their sad moments with them and showed them love when nobody else seemed to care. Many other groups have come forward with help through the efforts of the league members.

Already, there are plans to move these people to another area in Soweto. Mr Nkile, a Wrab welfare officer told **POST** Woman that the two Naledi houses are to be used to place families.

The plight of the transit camp inmates was first brought to light by the Jabulani branch of the Black Housewives League in 1971. At that time, they were residing in a hostel in Zone 4, Meadowlands.

Appalled at the poor living conditions of these people, the league gave them daily meals which were prepared at Mrs Sally Motlana's shop, then transported 5 km to the camp. Fresh fruit and milk was also provided by the group.

CONDITIONS

They were then transferred to the Consolidated Main Reef hostel (CMR) where the conditions were even more squalid. Besides being a dumping ground for people found roaming in the suburbs and town, CMR also became a refugee home for the Kliptown flood victims. Overcrowding at the compound was therefore inevitable.

Undeterred in their determination to care for the inmates, the Housewives' League continued feeding them as often as it could. In addition to this, knitting lessons were introduced for the idling female inmates. A teacher appointed by the Housewives' League gave lessons in Arithmetic, reading and writing for 80 children in the compound.

In October '77, they were removed from the compound to two houses which were devoid of any homeliness in Naledi. Until a company gave them foam mattresses, they slept on cold cement floors with brazziers to keep them warm. Their food was cooked on pressure stoves which were out of order most of the time.

TRANSFERRED

The conditions were improved when the Housewives League again supplied them with food, clothing, blankets and a stove. Several other organisations came forward with financial assistance, and a car to take the sick inmates to hospital.

After an alleged assault on a woman in one of the houses, the Isongo Womens Society put up R600 worth of high fencing round the two Naledi houses. Late last year the residents of both camps experienced the first taste in a comfortable sleep when a company gave them beds and several other pieces of furniture.

"We try hard to trace their relatives so that they can be looked after properly by their own people, but it is difficult. I have already traced some relatives of Mrs Anna Mogorosi a resident at No 1799. They are ready to have her any time, but she does not seem keen to go and live with these people," says Mr Nkile.

"I wish a proper old age home could be built, this would improve the situation of our pensioners."

"We are arranging to get a two-roomed house for Mrs Lena Williams who is a widow with seven children."

"If we black people would remember these words, 'love your neighbour as you love yourself', we would be able to to set up a decent home for these neglected people," says Mr Nkile.

Mrs Sally Motlana stresses the need for more people who are concerned about the plight of pensioners to come together.

"I believe the problem of the people that we are helping is just a drop in the ocean. There is much more suffering among our old people. We are not an exclusive body which cannot work with others. If we share the work we will have better achievements."

Mrs Lena Williams (39) is a widow with seven children. She would like to work but she would not know what to do with her children.

Sun. Times 19/8/79

Estate duty boon for pension fund members

(300)

By PENELOPE MORGAN

PENSION fund members now have an advantage over retirement annuity fund members when it comes to estate duty.

The latest development, brought about by the Financial Institutions Amendment Act of 1979, is that payments arising from pension funds may be excluded from the total value of the estate for dutiable purposes.

In the past, when a pension fund member died his widow received an annual pension of, say, R15 000, for the rest of her life. As the pension was paid monthly, she paid tax on a monthly basis.

However, at the time of her husband's death she would have paid estate duty on the capitalised value of the pension.

The capitalised value of a pension is calculated on the basis of the life expectancy of the widow.

For example if the widow was 50 when her husband died and the pension she received was R15 000 per annum, the capitalised value of the pension would have been R114 030. At 65 the capitalised value for the same widow would have been R92 068.

The situation for holders of retirement annuities has always been much the same.

Says Fiachra O'Hanrahan of African Pensions Trustees: "This change has a dramatic effect on the estate duty position of pension fund members compared with holders of other types of annuities.

"The others will continue to be capitalised at 12% per annum over the life expectancy of the annuitant for estate duty purposes".

This means that for the man of moderate means whose pension would comprise the entire estate, his widow will no longer have to pay estate duty.

For those who have other assets that together with the pension will make up the estate their widows will still have to pay duty, but only on that part of the estate that does not include the capitalised value of the pension.

Mr O'Hanrahan points out: "This change shows that the authorities are at last showing a desire to make it easy for individuals to make adequate provision for themselves and their dependants through pension funds".

13

Jaarlikse Konferensie, Nasionale Vrouevereniging van Suid-Afrika
en Raadsvergadering van die Suid-Afrikaanse Instituut vir Rasseverhoudinge, Kaapstad (Januarie).

Suid-Afrikaanse Jaarlikse Vergadering van die Religious Society of Friends, Stutterheim (April).

Negende Wêreldkongres van Sosiologie, Uppsala, Swede. Verhandeling voorgelê in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosiologiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

4

c) Ander lede:

Mnr K. Bosman
Professor A. Cupido
Mnr N. Daniels
Mnr Achmat Davids
Professor R.J. Davies
Professor J.J. Degenaar
Mnr René de Villiers
Dr I.D. du Plessis
Professor J.J.F. Durand
Professor J.B. du Toit
Mnr A. Flederman
Professor R.F. Fuggle
Mnr G.J. Gerwel
Eerw. D. Guma
Professor A. Paul Hare
Dr Gertrud Heydorn
Mnr F.A. Jacobs
Mnr H.M. Jimba

d) Twee Ere-Fellows:

Professor J.L. Boshoff
Dr Sheila T. van der Horst

Lede word na die Algemene Jaarvergadering van die Maatskappy uitgenooi en kies elke drie jaar 'n verteenwoordiger op die Beheerraad. 'n Verkiesing is in 1978 gehou en die huidige ampsdraer is Biskop A.W. Habelgaarn. Terwyl geen verpligtinge aan lede opgelê word nie, word hulle geraadpleeg in verband met sake wat die Sentrum se program raak.

NAVORSING

Gedurende die verslagjaar het die navorsing van die Sentrum die volgende behels:

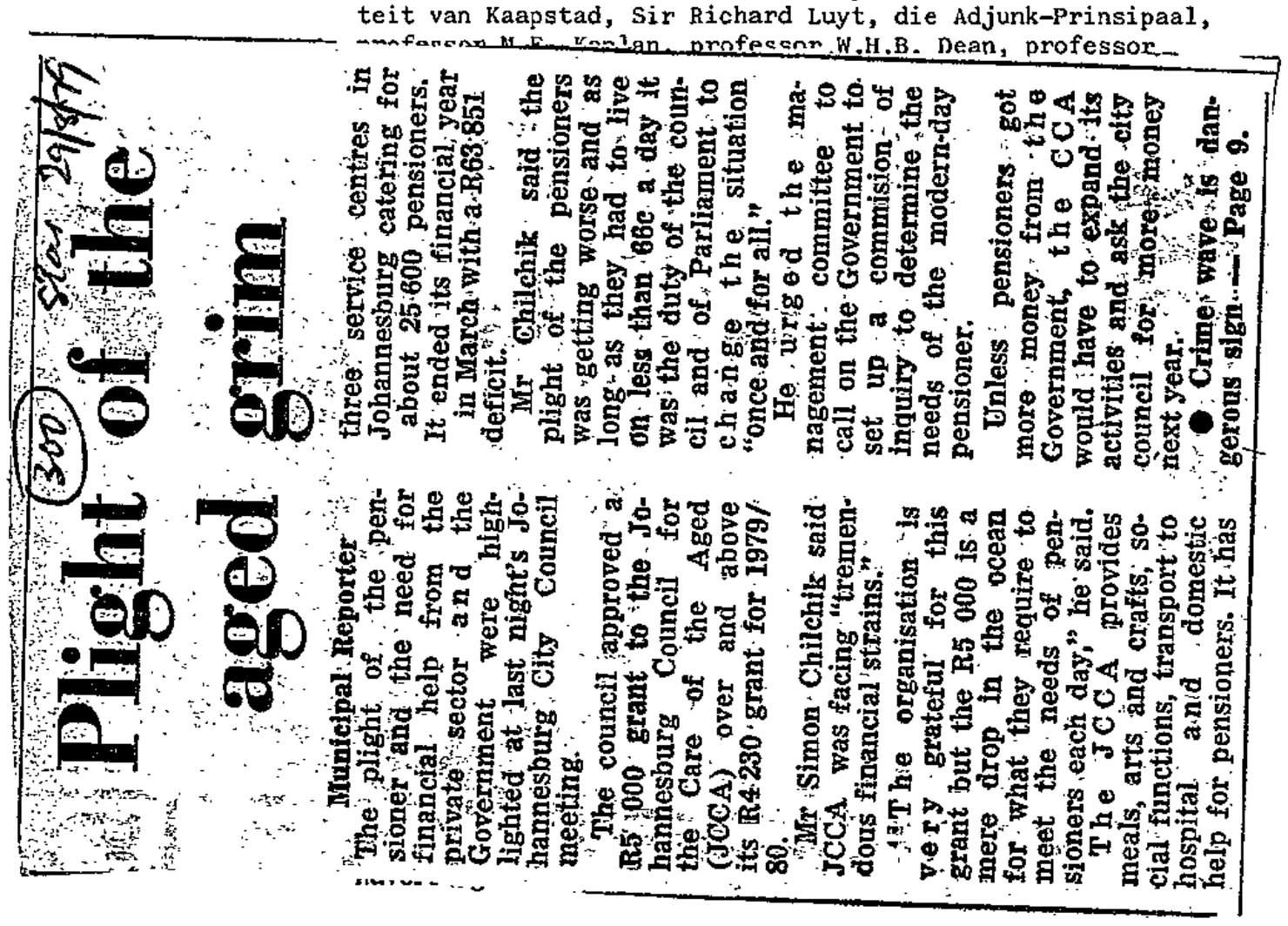
A. Mobiliteit en Politieke Verandering in Suid-Afrika

Hierdie projek is 'n paar jaar gelede aangepak. 'n Ondersoek onder die kleurling bevolking van die Kaapse Skiereiland is onderneem. 'n Aantal tydelike navorsings-

Die hoofdoel van die Sentrum is om navorsing na die onderlinge groepsverhoudinge in Suid-Afrika te bevorder en te lei, in die besonder oor verhoudinge tussen rasse- en taalgroepe.

AKADEMIESE ADVIESKOMITEE EN RAAD VAN BEHEER

Die program van die Sentrum staan onder die toesig van 'n Akademiese Advieskomitee wat in 1978 bestaan het uit die Direkteur (Voorsitter), die Prinsipaal van die Universiteit van Kaapstad, Sir Richard Luyt, die Adjunk-Prinsipaal, professor M.E. Kaplan, professor W.H.B. Dean, professor



Star 29/8/77

The

Plight of t

aged gri

Municipal Reporter

The plight of the pen-
sioner and the need for
financial help from the
private sector and the
Government were high-
lighted at last night's Jo-
hannesburg City Council
meeting.

The council approved a
R5 000 grant to the Jo-
hannesburg Council for
the Care of the Aged
(JCCA) over and above
its R4 230 grant for 1979/
80.

Mr Simon Chilchik said
JCCA was facing "tremen-
dous financial strains."

"The organisation is
very grateful for this
grant but the R5 000 is a
mere drop in the ocean
for what they require to
meet the needs of pen-
sioners each day," he said.

The JCCA provides
meals, arts and crafts, so-
cial functions, transport to
hospital and domestic
help for pensioners. It has

three service centres in
Johannesburg catering for
about 25 600 pensioners.
It ended its financial year
in March with a R63 851
deficit.

Mr Chilchik said the
plight of the pensioners
was getting worse and as
long as they had to live
on less than 66c a day it
was the duty of the coun-
cil and of Parliament to
change the situation
"once and for all."

He urged the ma-
nagement committee to
call on the Government to
set up a commision of
inquiry to determine the
needs of the modern-day
pensioner.

Unless pensioners got
more money from the
Government, the CCA
would have to expand its
activities and ask the city
council for more money
next year.

● Crime wave is dan-
gerous sign — Page 9.

kampus, waar ons gedurende die laaste vyf jaar gehuisves was, ontgroei. Daarom is ek besonder dankbaar vir die ekstra ruimte wat ons nuwe kantoor in die Leslie Social Sciences Building op die Groote Schuur Campus aanbied.

Ek wil weereens die Carnegie Corporation en die Algemeen Diakonaal Bureau van die Gereformeerde Kerken van Nederland bedank vir hulle gulle ondersteuning van die Konstruktiewe Program wat ons in staat gestel het om meer personeel aan te stel en om publikasies en werkgroepe te finansier. Ek wil ook graag weereens die ondersteuning deur plaaslike skenkers, firmas en trusts noem, kort nadat die Program gestig is. Hulle hulp het dit moontlik gemaak om etlike publikasies gratis te versprei onder almal wat in die bevordering van 'n oop samelewing belangstel.

Ten slotte is dit met innige genoeë dat ek my verpligtings teenoor die ere-navorsingsbeamptes van die Sentrum vir hulle bydraes tot die navorsingsprogram, boekstaaf en teenoor die personeel vir die wyse waarop hulle hulle pligte gedurende die jaar uitgevoer het.

Hendrik W. van der Merwe
Direkteur

Desember 1978

Pensioners hardest hit by increased medical fees

Mercury Reporter

HARDEST hit by the 50 percent November increase in doctors' and dentists' fees are the aged.

Mr. John Conradie, president of The Association for the Aged (Tafta), yesterday described the situation as "critical".

He appealed to all doctors to consider the financial position of an aged person before sending the account.

Provincial hospitals are expecting a flood of pensioners when the increase takes effect.

Mr. Derrick Watterson, MEC in charge of local government and hospitals (acting), regarded the increases as "excessively heavy".

A rush for medical attention at provincial hospitals at reduced prices was inevitable. Durban's Addington Hospital would be able to cope.

Elderly people interviewed yesterday were "worried" about the situation.

Mrs. I. Schofield, who lives in a home for the aged on the Berea, said it was not always easy to get to Addington for treatment where she only paid a nominal fee.

"The older one gets the more often medical attention is needed.

"With a bad cough and a temperature an elderly person doesn't find the strength to get up. The only way around is to call in a private doctor and pay the same as everybody else.

"It's not easy on a small pension and the new increases will make it nearly impossible," she said.

Medical Aid schemes say it is impossible to absorb the increase and premiums would have to be pushed up.

Mr. R. J. K. Slater, general manager of National Medical Plan, felt the predicted figure of an additional R7 on premiums could be excessive.

"I haven't seen any figures yet so I couldn't say what new premiums would be. But many companies help employees with their premiums.

"So if premiums go up by R7 members will probably only pay half of it."

He hoped the increased medical fees would encourage doctors and dentists who had opted out of medical aid schemes to rejoin.

Dr. E. Prinsloo, assistant secretary for the Medical Association of South Africa, said it was up to the individual to decide on this aspect.

She said the association regarded the increase as "fair" in the present economic climate.

"We are satisfied the Medical and Dental Council arrived at a just and reasonable decision after considering all aspects of an extremely complex problem.

"We also support the decision that tariffs will in future be reviewed and adjusted annually in the light of circumstances at that time."

The association appealed to all members of the profession to apply the tariff "responsibly and with discretion".

Doctors were requested to take full cognisance of the particular circumstances of individual patients.

The increase has not affected private hospitals. "There is no talk of an increase in hospitalisation," said Mr. L. Goldman, general manager of St. Augustine's.

navorsings-Fellows het aansienlik tot die Sentrum se program bygedra: dr Sheila T. van der Horst, afgetrede mede-professor van Ekonomie, U.K., en professor J.L. Boshoff, gewese Rektor van die Universiteit van die Noorde.

LIDMAATSKAP

Soos voorheen gemeld, is die Sentrum vir Intergroepstudies geregistreer as 'n maatskappy. In die Memorandum en Statute van Vennootskap word voorsiening gemaak vir die benoeming van eenhonderd lede. Tans is daar 57 lede en hulle sluit die volgende in:

a) Drie stigterslede:

Mnr J.G. Benfield
Mnr H.L. Kennedy
Mnr P.G.T. Watson

b) Sewentien persone wat gedurende die afgelope 10 jaar lede van die Beheerraad was (* dui stigterslede aan):

Professor E.V. Axelson
Professor J.F. Beckman
Professor J.F. Brock
Mnr C.S. Corder*
Professor W.H.B. Dean
Dr J.P. Duminy*
Professor G.F.R. Ellis
Biskop A.W. Habelgaarn*
Mnr E.V.E. Howes*
Professor M.F.Kaplan
Ds. W.A. Landman
Mnr G.K. Lindsay
Sir Richard Luyt
Professor S.J. Saunders
Professor H.W. van der Merwe
Mede-professor D.J. Welsh
Professor Monica Wilson

DEPARTEMENT VAN VOLKSWELSYN EN PENSIOENE

No. R. 1900 31 Augustus 1979

WYSIGING VAN DIE REGULASIES UITGEVAARDIG KRAGTENS DIE WET OP DIE PENSIOENFONDS VIR GEASSOSIEERDE INRIGTINGS, 1963

Kragtens die bevoegdheid my verleen by artikel 2 van die Wet op die Pensioenfonds vir Geassosieerde Inrigtings, 1963 (Wet 41 van 1963), wysig ek, Schalk Willem van der Merwe, Minister van Volkswelsyn en Pensioene, hierby die regulasies afgekondig by Goewermentskennisgewing R. 1653 van 10 September 1976, soos gewysig, soos in die Bylae hiervan uiteengesit.

S. W. VAN DER MERWE, Minister van Volkswelsyn en Pensioene.

BYLAE

1. Regulasie 11 word hierby gewysig—

(a) deur na paragraaf (d) van subregulasie (1) die volgende paragraaf in te voeg:

"(e) enige tydperk van vorige diens ten opsigte waarvan 'n lid bygedra het tot die Regeringsdienspensioenfonds ingestel by artikel 3 van die Regeringsdienspensioenwet, 1973 (Wet 57 van 1973) of enige

DEPARTMENT OF SOCIAL WELFARE AND PENSIONS

No. R. 1900 31 August 1979

AMENDMENT OF THE REGULATIONS UNDER THE ASSOCIATED INSTITUTIONS PENSION FUND ACT, 1963

By virtue of the powers vested in me by section 2 of the Associated Institutions Pension Fund Act, 1963 (Act 41 of 1963), I, Schalk Willem van der Merwe, Minister of Social Welfare and Pensions, hereby amend the regulations promulgated by Government Notice R. 1653 of 10 September 1976, as amended, as set out in the Schedule hereto.

S. W. VAN DER MERWE, Minister of Social Welfare and Pensions.

SCHEDULE

1. Regulation 11 is hereby amended—

(a) by the insertion after paragraph (d) of subregulation (1) of the following paragraph:

"(e) any period of previous service in respect of which a member contributed to the Government Service Pension Fund established under section 3 of the Government Service Pension Act, 1973 (Act 57 of

ander fonds, behalwe die Regeringsdiensweduwees-pensioenfonds, soos in bedoelde Wet omskryf, waarvan bedoelde Regeringsdienspensioenfonds die regsopvolger is, en ten opsigte waarvan 'n ander voordeel as 'n gratifikasie of jaargeld aan hom uitbetaal of aan hom betaalbaar is.".

(b) deur subregulasie (2) deur die volgende subregulasie te vervang:

"(2) Geen vorige diens word ingevolge subregulasie (1) (d) en (e) as pensioengewende diens toegelaat nie indien 'n tydperk van sewe jaar verstryk het tussen die datum waarop die voordeel in daardie subregulasie bedoel, uitbetaal is en die datum waarop die skriftelike versoek in subregulasie (1) bedoel deur die Sekretaris ontvang word, tensy bedoelde lid die dokumentêre bewys, wat die Sekretaris bepaal, van sodanige vorige pensioengewende diens en van die bedrag van sodanige voordeel, aan die Sekretaris voorlê.".

2. Regulasie 12 word hierby gewysig—

(a) deur na subregulasie (3) die volgende subregulasie in te voeg:

"(3A) (a) Daar word aan die fonds ten opsigte van diens wat ingevolge regulasie 11 (1) (e) as pensioengewende diens gereken word—

(i) deur die betrokke lid 'n bedrag wat gelykstaan aan die bedrag van die voordeel in daardie regulasie bedoel, betaal tesame met samegestelde rente teen 5½ persent daarop, vanaf die datum wat onmiddellik volg op die datum waarop bedoelde voordeel aan hom uitbetaal is tot en met die datum waarop bedoelde bedrag aan die fonds betaalbaar is;

(ii) uit die Regeringsdienspensioenfonds, bedoel in daardie regulasie, die verskil betaal tussen die bedrag benodig en die totale bedrag wat ingevolge subparagraaf (i) deur die lid betaal moet word.

(b) By die toepassing van hierdie subregulasie beteken "bedrag benodig"—

(i) 'n bedrag bereken teen 3,04 maal die aangeslane bydraes;

(ii) rente bereken teen 2¾ persent per jaar op die bedrag in paragraaf (i) bedoel ten opsigte van iedere jaar of gedeelte van jaar van sodanige pensioengewende diens; en

(iii) samegestelde rente bereken teen 5½ persent per jaar op die som van die bedrag en rente, in subparagrawe (i) en (ii) bedoel, vanaf die datum wat onmiddellik volg op die laaste dag waarop die lid tot bedoelde Regeringsdienspensioenfonds bygedra het tot en met die datum waarop bedoelde bedrag aan die fonds betaalbaar is.".

(b) deur in subregulasie (4) (a) die uitdrukking "regulasie 11 (1) (a) of (b)" deur die uitdrukking "regulasie 11 (1) (a), (b) of (e)" te vervang.

1973) or any other fund, except the Government Service Widows' Pension Fund as defined in the said Act, of which the said Government Service Pension Fund is the successor in title and in respect of which a benefit other than a gratuity or an annuity was paid to him or is payable to him.".

(b) by the substitution for subregulation (2) of the following subregulation:

"(2) No previous service shall be allowed as pensionable service in terms of subregulation (1) (d) and (e) if a period of seven years has elapsed between the date on which the benefit referred to in that subregulation was paid and the date on which the written request mentioned in subregulation (1) is received by the Secretary, unless the said member submits the documentary proof, which the Secretary determines, of such previous pensionable service and of the amount of such benefit, to the Secretary.".

2. Regulation 12 is hereby amended—

(a) by the insertion of the following subregulation after subregulation (3):

"(3A) (a) There shall be paid to the fund in respect of service which is reckoned as pensionable service in terms of regulation 11 (1) (e)—

(i) by the member an amount equal to the amount of the benefit referred to in that regulation together with compound interest at 5½ per cent thereon, as from the date immediately following on the date on which the said benefit was paid to him up to and including the date on which the said amount is payable to the fund;

(ii) from the Government Service Pension Fund, referred to in that regulation, the difference between the amount required and the total amount which shall be paid by the member in terms of subparagraph (i).

(b) For the purposes of this subregulation "amount required" means—

(i) an amount calculated at 3,04 times the assessed contributions;

(ii) interest calculated at 2¾ per cent per annum on the amount referred to in subparagraph (i) in respect of each year or part of a year of such pensionable service; and

(iii) compound interest calculated at 5½ per cent per annum on the total of the amount and interest referred to in paragraphs (i) and (ii), as from the date immediately following on the last day on which the member contributed to the said Government Service Pension Fund up to and including the date on which the said amount is payable to the fund.".

(b) by the substitution in subregulation (4) (a) for the expression "regulation 11 (1) (a) or (b)" of the expression "regulation 11 (1) (a), (b) or (e).".

Koop Nasionale Spaarsertifikate
Buy National Savings Certificates

c) Ander lede:

Mnr K. Bosman	Mnr H.W. Middelmann
Professor A. Cupido	Eerw. M.T.L. Moletsane
Mnr N. Daniels	Professor A.D. Muller
Mnr Achmat Davids	Sheik A. Najaar
Professor R.J. Davies	Mnr Victor Norton
Professor J.J. Degenaar	Professor N.J.J. Olivier
Mnr René de Villiers	Mnr L. Phillips
Dr I.D. du Plessis	Professor H.P. Pollak
Professor J.J.F. Durand	Mnr W.J. September
Professor J.B. du Toit	Mnr Franklin Sonn
Mnr A. Flederman	Mnr P.M. Sonn
Professor R.F. Fuggle	Regter J.H. Steyn
Mnr G.J. Gerwel	Mnr R. Tobias
Eerw. D. Guma	Professor R.E. van der Ross
Professor A. Paul Hare	Professor J.H. van Rooyen
Dr Gertrud Heydorn	Mev. S. Walters
Mnr F.A. Jacobs	Professor F.A.H. Wilson
Mnr H.M. Jimba	

d) Twee Ere-Fellows:

Professor J.L. Boshoff
Dr Sheila T. van der Horst

Lede word na die Algemene Jaarvergadering van die Maatskappy uitgenooi en kies elke drie jaar 'n verteenwoordiger op die Beheerraad. 'n Verkiesing is in 1978 gehou en die huidige ampsdraer is Biskop A.W. Habelgaarn. Terwyl geen verpligtinge aan lede opgelê word nie, word hulle geraadpleeg in verband met sake wat die Sentrum se program raak.

NAVORSING

Gedurende die verslagjaar het die navorsing van die Sentrum die volgende behels:

A. Mobiliteit en Politieke Verandering in Suid-Afrika

Hierdie projek is 'n paar jaar gelede aangepak. 'n Ondersoek onder die kleurling bevolking van die Kaapse Skiereiland is onderneem. 'n Aantal tydelike navorsings-

Some relief for aged

By GEORGE MAYEKISO

OLD age pensioners in the Vaal triangle can now appoint procurators to collect and administer their pension funds to avoid standing in long queues when they collect their pension.

The appointment of procurators is not really what the Vaal Community Council wants. The council prefers a postal system whereby pensioners can collect their money from the Post Office.

A Council chairman, Mr Knox Matjila, said that following their request to the Commissioner of Cooperation and Development that something should be done for the aged not to collect their funds, the Commissioners agreed to the appointment of procurators.

On insistence by the Community Council, the welfare section of the Administration Board made a survey of the number of pensioners wishing to appoint relatives or trustworthy persons to administer their pension. The appointment of procurators is subject to some conditions.

That a person will be permitted to hold more than one power of attorney, but will be limited to a reasonable number of procuration, which is solely left to the discretion of the Commissioner or his nominee. That taxi owners and shop keepers will not be allowed to administer the affairs of pensioners.

That preference will be given to relatives or other trustworthy persons and in accordance with the Commissioner's code, a district pension officer must from time to time withhold the pension from the procurator, until such time as ample proof is provided that the pensioner is indeed still alive.

Mr Matjila said: "We requested the appointment of procurators to avoid old age pensioners standing in long queues."

He said that though they were happy about the procurators, what they really want is the postal system. White pensioners collect their pensions from the Post Office, why can't blacks be allowed to do so? he asked.

Sun.
Exp. 21/9/77

~~300~~

300

New small business pensions

A NEW low-cost, no-fuss pension plan for small businesses, working directors and partners was announced this week by Sanlam.

Penplan, as Sanlam calls it, offers minimimal administration and costs to the small employer.

The plan is also designed to keep pace with increasing salaries and consequent changing pension needs.

With it, a small concern with as few as two employees can build up pension benefits and provide favourable death and disability benefits, says Pierre Steyn, Sanlam's GM.

The package is geared to take over or transfer existing pension benefits from employees joining or leaving firms where other pension schemes are involved.

This caters for the increasingly vital point of consecutive pension right transfers with uninterrupted contribution towards benefits.

Sanlam emphasises this point, adding that the company expects the preservation of pension from job-to-job will become legally compulsory next year.

Sanlam's plan also offers supplementary pension plans for those who began contributing for a pension at advanced ages.

Such people can buy additional pensions by instalments with contributions ranging up to a maximum of R1 000 a year.

Medical fees: press slated

299
DD
4/9/79

CAPE TOWN — South Africans spend three times as much on alcohol and twice as much on tobacco as they do on medical bills, according to a supplement to the latest issue of the SA Medical Journal which slammed the press for "speculation, ignorance and slanted truths" regarding medical tariffs.

The Medical Association news supplement, after outlining the history of medical tariffs since the first preferential tariff was introduced during the Depression, said medical practitioners rendered a necessary service to the community and were entitled to "a reasonable and just level of remuneration".

It pointed out that in 1974 and 1977 the statutory tariff was increased by an average of 20 per cent and nine per cent respectively. The association calculated that practice costs increased by an average of 51 per cent in the same period.

The newsletter also claimed the Consumer Price Index rose by 75 per cent from 1974 to 1979.

"From these statistics it is clear the adjustment in gross income was totally inadequate to cover increases in practice costs and the cost of living for the doctor."

According to a survey of highly qualified whites, a relative deterioration in the income structure of medical practitioners, as compared with other professions, had become evident in recent years, the newsletter said.

It warned that the "slow and dawdling adjustment of the income situation of the doctor may result in long-term movements within professional groups and/or manpower groups across national borders." — DDC.

the cost of raising the necessary funds has to be taken into account. The funds themselves are already justified by comparison with the alternative methods of provision, but there are additional costs involved in raising them: interest on loans, or administrative and incentive costs of raising taxation. These are normally insignificant for any given project, but may affect the overall amounts available for the health budget.

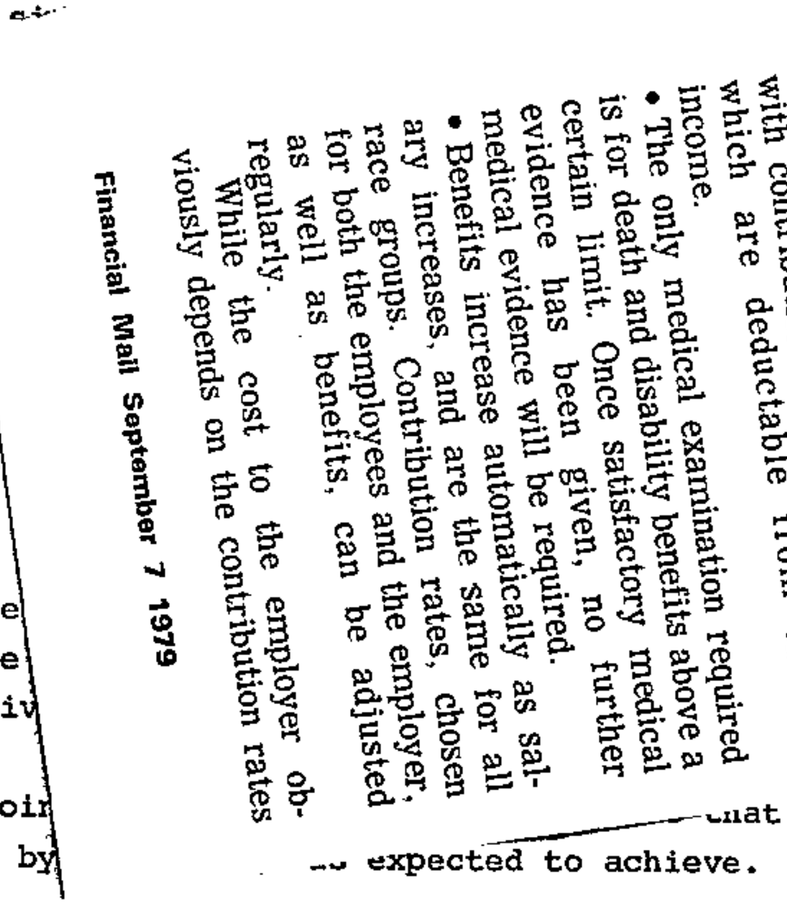
Where the methods of providing a given service use the same kinds of resources in different proportions, the decision-making can be [illegible] by means of Linear Programming, though health [illegible] usually be presented in the [illegible]

2. CHOICE OF PROGRAMMES

So far, we have discussed [illegible] objective. But what tools [illegible] ives themselves? Can anyt[illegible] to be given to particular di[illegible] more to child welfare clinic[illegible]

Overall criteria are needed, [illegible] way that they can guide these [illegible] problem is not only to relate [illegible] to relate the various objectiv[illegible]

There are various means of doi[illegible] expenditure be accounted for by [illegible]



PENSIONS

For small firms

There are nearly 273 000 small busine
employing up to 100 people each, in SA
according to official statistics (38 000
manufacturers and 235 000 wholesalers
and retailers). Many are deterred from
providing pension funds for their em-
ployees by both the cost and the
administrative work involved.

Sanlam's new pension plan, "Penplan",
has been designed specially for small
businesses with less than 50 employees,
says GM Pierre Steyn. A small concern,
with as few as two employees, can build
up pension and death and disability
benefits at competitive rates. Employers'
(working directors and partners) may also

belong.

·Claimed advantages are:

• Penplan can accommodate (take over)
the pension credits of people who leave
any other pension or provident fund, or
Penplan itself. It thus provides for the
preservation of pension rights, which it is
expected will be made compulsory next
year. The administration will not have to
Sanlam and the employer will be done by
keep in touch with past employees.

• People who began to contribute to a
pension fund only relatively late in life
can build up additional pension by pur-
chasing with-profit endowment insurance
with contributions of up to R1 000 yearly
which are deductable from taxable
income.

• The only medical examination required
is for death and disability benefits above a
certain limit. Once satisfactory medical
evidence has been given, no further
medical evidence will be required.

• Benefits increase automatically as sal-
ary increases, and are the same for all
race groups. Contribution rates, chosen
for both the employees and the employer,
as well as benefits, can be adjusted
regularly.

While the cost to the employer ob-
viously depends on the contribution rates

Financial Mail September 7 1979

[illegible] that
[illegible] expected to achieve.

2.1 Programme Budgeting

Programme budgeting, also known as budgeting by objectives, involves the presentation of expenditure data according to the objectives to which it is directed. Thus, projects to combat TB would be grouped together, geriatric problems, sanitation programmes, etc.

This is necessary:

(a) to know the cost of pursuing each objective;

(b) to group together activities with the same objectives which can be compared by cost-effectiveness analysis;

(c) to know the effectiveness of a given amount of money when spent on different objectives, so that choices can be formulated in terms of the alternatives we might afford - so many geriatric day care centres, so many child welfare clinics, etc.

Financial statistics are not traditionally [illegible] his basis but in categories such as 'sa[illegible] etc. A separation [illegible] s or age groups

[illegible] ble, an econo-

[illegible] mined
[illegible] con-
[illegible] rimarily
[illegible] g basic
[illegible] to
[illegible] against
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[illegible] that
[illegible] attempts
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[illegible] rom
[illegible] is, in a broad
[illegible] ities; the latter is

[illegible] e a hard and fast
[illegible] tters of values or
[illegible] point of view, the
[illegible] hospital or in the
[illegible] cheaper way to fulfil
[illegible] the treatment of this
[illegible] fashionable as a
[illegible] very apt to muddle
[illegible] its them, and the
[illegible] it suits them,
[illegible] parate". 9

He adds:

> "In practice, it is not ar[illegible]
> distinction between techn[illegible]
> utilities in the health s[illegible]
> question whether to treat[illegible]
> community is a technical [illegible]
> whatever are the society's[illegible]
> group? But community car[illegible]
> good thing in itself. The[illegible]
> the medical and economic ar[illegible]
> politicians and administrat[illegible]
> but the economist's concern[illegible]

Programme budgeting, then, entail[illegible] this separation, sorting out from the multiplicity of d[illegible] those which can be made on the basis of administrative or economic, together with medical-technical criteria, and those in which the role of the public through political

300

PART of the queue of about 200 people who were waiting to enter the Guguletu Civic Hall this morning to receive old age or disability pensions. About 500 other pensioners were already inside.

Guguletu pensioners

(Continued from Page 1)

with a district pay point number appearing on each pensioner's card. This will ensure that a pensioner from one district cannot be paid in another.

Payments in these three districts, and in Langa and Nyanga, will be made on different days.

People living in Guguletu sections 3 and 4 will be in one district, while sections 1 and 2 will constitute separate districts. Payments will be made at a community hall within each district.

500 PEOPLE

At 9 am today there were more than 500 old and disabled people waiting in the Guguletu Civic Hall for the arrival of the paymasters. About 200 people stood in queues at the door.

A woman who arrived at the hall about 9 pm yesterday said it was 'very cold' outside and she could not sleep. She joined the queue early because there were already 'a lot of people' outside the hall.

A FEAR

Pensioners feared there might not be enough money or time for those at the back of the queue to be paid. They would then have to make a tiresome and expensive journey to the department's offices in Observatory to collect it.

The present old age pension is R23,75 a month, or R47,50 for two months.

Mr Goodwill Botha, chairman of the Guguletu Residents' Association, said there were more than 1 000 pensioners in Guguletu.

He said an earlier idea of issuing different colour cards to residents of Guguletu, Langa and Nyanga in an attempt to prevent congestion at Guguletu had not been pursued.

He said he wondered why the Civic Hall had not been opened last night to allow people to wait inside.

After The Argus drew attention to the plight of Guguletu pensioners last year, the hall was opened to those queuing overnight.

Mr A MacLachlan, chief director of the Administration Board, said he could not allow people to sleep in the hall. There were no facilities and it was contrary to the insurance.

He said it was 'quite unnecessary' for people to queue overnight.

Pension queues for last time?

GUGULETU pensioners who again queued overnight outside the Guguletu Civic Hall to collect their old age and disability grants today may have done so for the last time.

From November, when the Department of Co-operation and Development will make the next pension payments, Guguletu will have three points of payment instead of the one at present.

'We hope this will solve the whole problem,' Mr L J van Heerden, Commissioner for the Peninsula, said today.

LAST TIME

'There will be a maximum of 500 to 600 pensioners at each pay point. This is the last time the whole crowd will be at the same point.'

Mr van Heerden said the new scheme had already been approved by the department's head office and pensioners would be advised of the change today.

Guguletu is to be divided into three districts.

(Continued on Page 3, col 4

STUFFED CABBAGE SALAD — May Bennett, Ridgeworth

1 fresh green medium size cabbage
onions
carrots
tomatoes
fresh pineapple
radishes

Cut the centre from the cabbage, leaving the outer leaves to form a bowl. Wash well. Chop onion. Peel and cube the carrots and pineapple. Cube tomatoes. Thinly slice some of the inner leaves of the cabbage leaving the stalks. Place the carrots, pineapple, tomatoes, sliced cabbage and the finely chopped onion in a bowl adding any juice from the tomatoes, pineapple and add salt and black pepper to taste. Toss well, then pile the salad into the cabbage "bowl". Garnish with radish roses and a small bowl of mayonnaise for those who like it. To make the radish roses, cut across the tops in a double cross, then put them in iced water until the radishes open up.

---oOo---

GERMAN POTATO SALAD — Ethne Beard, Port Elizabeth

boiled potatoes
cooked bacon
mayonnaise
chopped onion
salt and pepper

Cube the potatoes while still hot. Chop up the bacon, mix with the potatoes, onion and mayonnaise. Season with a little salt and pepper. Use hot or cold.

---oOo---

EGG SALAD — May Bennett, Ridgeworth

hard boiled eggs
salanaise
salt and pepper
paprika and parsley

Cut eggs in half and lay on a flat salad platter; cut side down. Pour over salanaise.

---oOo---

CHICKEN AND CUCUMBER SALAD — S. Drury, East London

1 cup cooked chicken, diced
4 T finely chopped walnuts
French dressing/mayonnaise
lettuce
1 cup cucumber, peeled and diced
1 cup cooked green peas

Marinade chicken, cucumber, nuts and peas with French dressing. Serve on lettuce with mayonnaise. Cover with greaseproof paper and refridgerate until ready for use.

French dressing:
Blend together 6 T salad oil and 2 T lemon juice.

---oOo---

May Bennett, Ridgeworth

tuce

1 cucumber
mint (fresh)
scallions

e lettuce, chop onions finely and parsley;
for garnishing. Wash cucumber peel and cube.
nd cut tops off leaving a short piece of the
oss the lettuce, parsley, cucumber, onion and
r, salt and pepper. Pour over a little French
e in a glass bowl. Garnish with a few

Old age home nearly ready

EAST LONDON — The first Coloured old age home in the city's history is nearing completion — and 36 applications already have been received from prospective occupants.

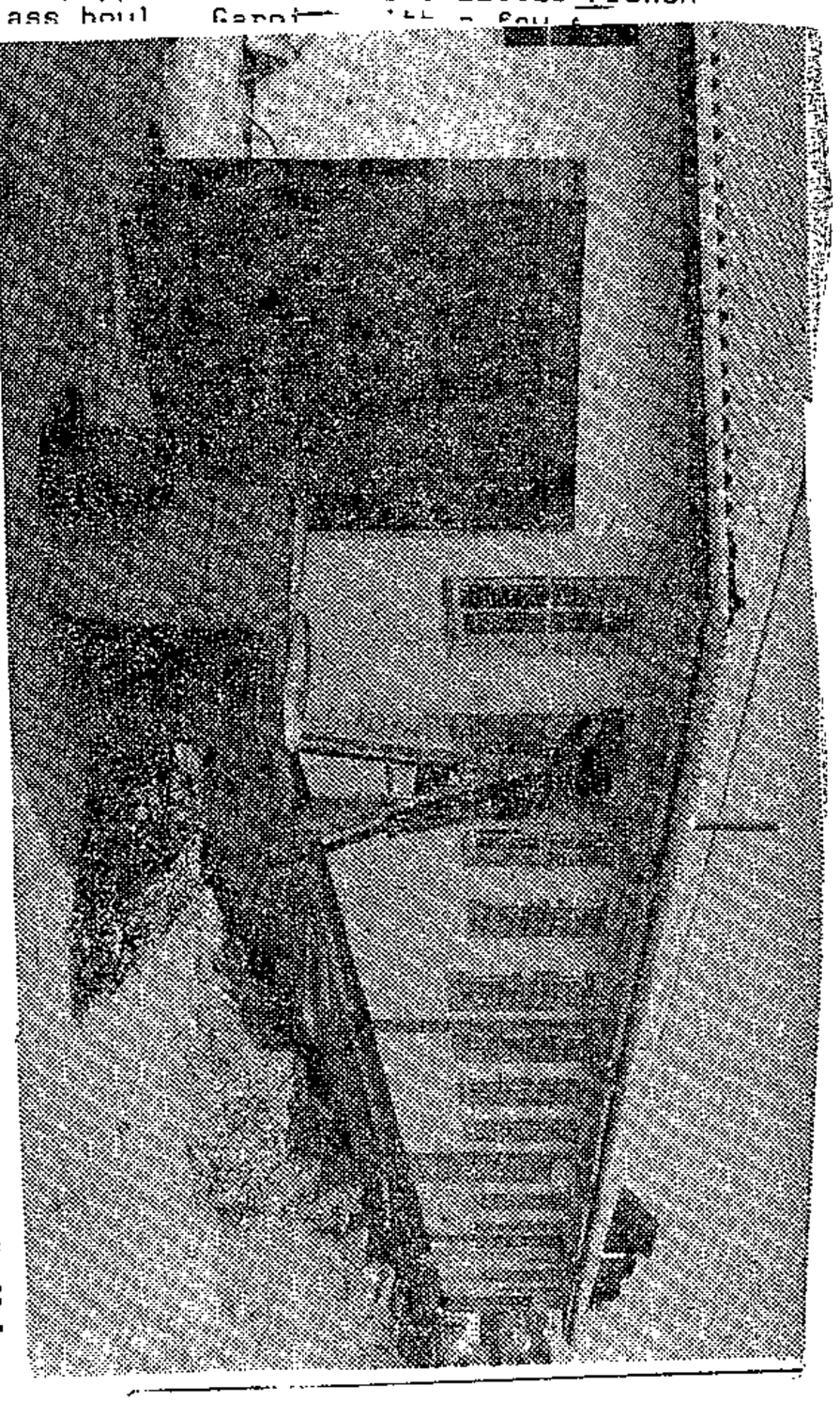
The R280 000 home which will house 72 people, has been in the pipeline for several years and is the brainchild of the East London Coloured People's Welfare Society.

After the idea was spawned by stalwarts of the society such as the late Mr Marnie Matthews and Mr Robert King, the present committee comprising Mr F. N. Barlow (chairman), Mr W. November (vice-chairman), Mr A. Fray (secretary) and Mrs M. Matthews (treasurer) got the project off the ground with a loan from the Department of Community Development and help from Rotary.

Mr Fray said yesterday the home was expected to be ready by the end of October and would be named the D. J. Sobey Old Age Home in honour of Mr Sobey's services to the community.

He appealed to the community to help in recruiting inhabitants and said the conditions in the home would be much better than some old people were living in.

The home would cater for the whole of the Border but obviously East London applicants would be considered first. The running of the home would be subsidised by the Administration of Coloured Affairs and by funds of the society — which were not all that good. — DDR



A workman puts the finishing touches to a wing of the new old age home in Buffalo Flats.

R216m payout

PRETORIA — The benefit of the soaring gold price will be passed on to South Africans through sweeping new measures involving R216,5 million, including pension bonuses, food and transport subsidies.

Taxpayers can look forward to a R160 million payment of the 1977 loan levy in November this year.

This announcement was made at the National Party's Transvaal congress yesterday by Senator Owen Horwood as the gold price swept to a record $375 an ounce on international markets.

Senator Horwood announced that South Africans would receive an additional R216,5 million in benefits over a wide spectrum.

- R24,5 million for pensions. This would be paid in a single pension bonus to pensioners of all races in November, over and above the budgeted pension increases which begin next month. On a proportional pro rata basis this would work out to a R30 bonus for whites, R24 for Coloureds and Asians and R18 for blacks, payable in November only. From October 1, child allowances would increase by R1 a month for all races.
- R20 million during the next six months for food subsidies. Senator Horwood indicated that this would affect GST on certain basic foodstuffs, but did not say which would be affected. The matter would be worked out, and an announcement made soon.
- R12 million for transport subsidies, over and above the R50 million already made available to offset the fares increases caused by the rising fuel price.
- R160 million inclusive of R21,5 million interest — for the repayment of the 1977 loan levy. The payment cheques would be sent out on November 12, Senator Horwood said.

He said the latest concessions brought to R511,5 million the total sum passed on to South Africans since the Budget.

Other concessions include an additional R45 million on the bread subsidy, R55 million interest exemption to the Railways, and other normal additional budget expenditures.

The package was acclaimed as a "just in time" move to prevent a drift back towards recession.

Economists claimed that further measures however might be necessary next year if the growth rate was to rise to four per cent.

They stressed, too, that to absorb the unemployed and to make provision for the 200 000 new black workers who come onto the labour market every year a 6,5 per cent rate was necessary.

The president of the Association of Chambers of Commerce, Mr R. J. Wood, said Assocom welcomed the substantial package of stimulatory measures to reinforce economic growth, as the rate in June was only three per cent.

The package appeared to be well balanced.

The key to strong renewed growth, Mr Wood said, lay in increased consumer spending.

It was significant the package affected transport costs which were important in the overall economic performance.

The major impact of the measures would probably only be felt in the first half of 1980, and if they were reinforced by additional measures in the 1980 Budget would give South Africa a good chance of reaching four per cent growth next year.

The package would shore up business and consumer confidence Mr Wood said. — PS-DDC.

SEN HORWOOD . . . loan levy payout in November.

Pension boost slammed as a 'puff of air'

300 RDM 20/9/79

By BRUCE STEPHENSON

HILLBROW'S PFP Provincial Council representative has slammed the additional R24,5-million increase to pensions as a "puff of air" that demonstrated the Government's inability to come to grips with the problems of pensioners.

The Minister of Finance, Senator Owen Horwood, announced on Tuesday that the money would be paid to pensioners of all races in November, over and above the budgeted R9 a month increase which begins next month. This works out to R30 for whites, R24 for coloureds and Asians and R18 for blacks.

Mr Simon Chilchick, MPC, said in a statement yesterday the R30 a month bonus meant 8c a day extra for each pensioner.

"This R30 comes as a shock to them.

"The so-called increase of 8c a day does not even buy a loaf of bread or a pint of milk," he said.

"This once again demonstrates the Government's inability or unwillingness to come to grips with the daily problems facing pensioners."

Meanwhile, Sapa reports that the Progressive Federal Party MP for Yeoville, Mr Harry Schwarz, said yesterday the stimulatory measures announced by Sen Horwood were "welcome" but more could have been done for lower income groups.

Mr Schwarz, the PFP's finance spokesman said: "In view of the high rate of inflation, the Minister could have abolished the import levy and could have done more for the lower income groups. The food subsidies are not adequate and the one-time bonus for pensioners, while welcome, is insufficient. It would also have been a welcome gesture if the bonus for black, Indian and coloured pensioners could have been the same as that for whites.

"The elderly who are not social pensioners have been very hard hit by falling interest rates and the Minister should have done something to relieve this burden."

No. R. 2087 21 September 1979

REGULASIES OPGESTEL KRAGTENS DIE WET OP MAATSKAPLIKE PENSIOENE, 1973, MET BETREKKING TOT SWARTES IN DIE REPUBLIEK EN NATURELLE IN SUIDWES-AFRIKA.—WYSIGING VAN GOEWERMENTSKENNISGEWING R. 1034 VAN 1974

Ek, George de Villiers Morrison, Adjunk-minister van Samewerking en Ontwikkeling, handelende namens die Minister van Samewerking en Ontwikkeling kragtens die bevoegdheid hom verleen by artikel 17 (1) van die Wet op Maatskaplike Pensioene, 1973 (Wet 37 van 1973), gelees met Proklamasie R. 219 van 1973,

GG6665

No. R. 2087 21 September 1979

REGULATIONS FRAMED UNDER THE SOCIAL PENSIONS ACT, 1973, IN RESPECT OF BLACKS IN THE REPUBLIC AND NATIVES IN SOUTH-WEST AFRICA.—AMENDMENT OF GOVERNMENT NOTICE R. 1034 OF 1974

I, George de Villiers Morrison, Deputy Minister of Co-operation and Development, acting on behalf of the Minister of Co-operation and Development, by virtue of the powers vested in him by section 17 (1) of the Social Pensions Act, 1973 (Act 37 of 1973), read with Proclamation R. 219 of 1973, hereby amend, with

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wysig hierby, met ingang van 1 Oktober 1979, die regulasies vervat in die Bylae van Goewermentskennisgewing R. 1034, gedateer 21 Junie 1974, ooreenkomstig bygaande Bylae.

Hierdie kennisgewing word met die toestemming van die Administrateur-generaal vir die Gebied Suidwes-Afrika uitgevaardig en is in die genoemde Gebied van toepassing.

G. DE V. MORRISON, Adjunk-minister van Samewerking en Ontwikkeling.

BYLAE

Vervang Aanhangsel 1 deur die volgende:

AANHANGSEL 1

TABEL WAARVOLGENS MAATSKAPLIKE PENSIOENE MET INGANG VAN 1 OKTOBER 1979 TOEGEKEN MOET WORD

Inkomste-groep	*Jaarlikse inkomste (middele en omstandighede in ag geneem)*	*Maksimum jaarlikse toekenning*
		R
I....	Nul tot R126.....	330
II....	Bo R126 tot R132.....	324
III....	Bo R132 tot R138.....	318
IV....	Bo R138 tot R144.....	312
V....	Bo R144 tot R150.....	306
VI....	Bo R150 tot R156.....	300
VII....	Bo R156 tot R162.....	294
VIII....	Bo R162 tot R168.....	288
IX....	Bo R168 tot R174.....	282
X....	Bo R174 tot R180.....	276
XI....	Bo R180 tot R186.....	270
XII....	Bo R186 tot R192.....	264
XIII....	Bo R192 tot R198.....	258
XIV....	Bo R198 tot R204.....	252
XV....	Bo R204 tot R210.....	246
XVI....	Bo R210 tot R216.....	240
XVII....	Bo R216 tot R222.....	234
XVIII....	Bo R222 tot R228.....	228
XIX....	Bo R228 tot R234.....	222
XX....	Bo R234 tot R240.....	216
XXI....	Bo R240 tot R246.....	210
XXII....	Bo R246.....	Nul

effect from 1 October 1979, the regulations contained in the Schedule to Government Notice R. 1034, dated 21 June 1974, in accordance with the accompanying Schedule.

This notice is issued with the consent of the Administrator-General for the Territory of South West Africa and applies in the said Territory.

G. DE V. MORRISON, Deputy Minister of Co-operation and Development.

SCHEDULE

Substitute the following for Annexure 1:

ANNEXURE I

TABLE ACCORDING TO WHICH SOCIAL PENSIONS ARE TO BE GRANTED WITH EFFECT FROM 1 OCTOBER 1979

Income group	*Annual income (allowing for means and circumstances)*	*Maximum annual grant*
		R
I....	Nil to R126.....	330
II....	Over R126 to R132.....	324
III....	Over R132 to R138.....	318
IV....	Over R138 to R144.....	312
V....	Over R144 to R150.....	306
VI....	Over R150 to R156.....	300
VII....	Over R156 to R162.....	294
VIII....	Over R162 to R168.....	288
IX....	Over R168 to R174.....	282
X....	Over R174 to R180.....	276
XI....	Over R180 to R186.....	270
XII....	Over R186 to R192.....	264
XIII....	Over R192 to R198.....	258
XIV....	Over R198 to R204.....	252
XV....	Over R204 to R210.....	246
XVI....	Over R210 to R216.....	240
XVII....	Over R216 to R222.....	234
XVIII....	Over R222 to R228.....	228
XIX....	Over R228 to R234.....	222
XX....	Over R234 to R240.....	216
XXI....	Over R240 to R246.....	210
XXII....	Over R246.....	Nil

'Link pensions to inflation'

Link the means test for old-age pensioners to the rate of inflation, says Mr Brian Goodall, the Progressive Federal Party candidate in the Edenvale by-election.

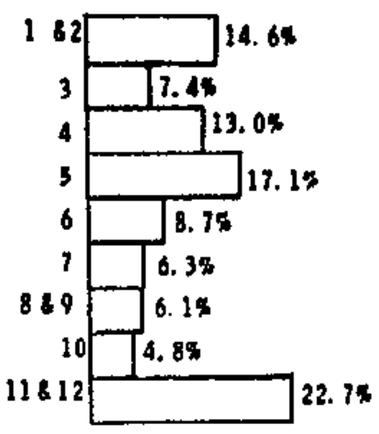
He called the lump sum bonus of R30 to be paid to pensioners, "ad hoc" and "paternalistic." It amounted to about 8c a day which was not enough to buy half a litre of milk or a loaf of bread.

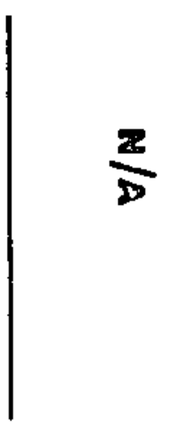
He said the Minister of Finance, Senator Horwood, should tackle some of the basic structural faults in the pension system.

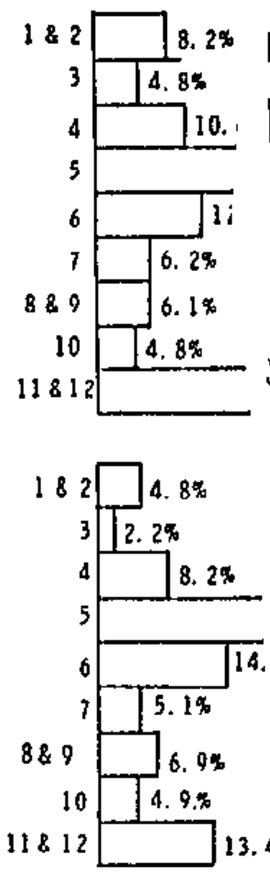
"For example, it has become apparent that the present means test for pensioners is totally unrealistic in the context of the rapid inflation which South Africa has experienced in recent years.

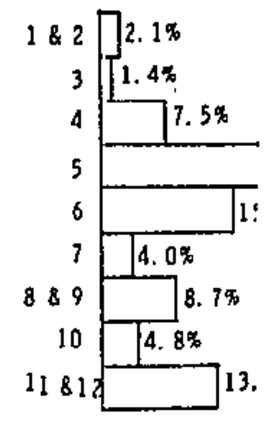
"In other words if pensions began to fall away at R32 000 10 years ago, they would now fall away at R80 000. This would sinply be a compensating factor for inflation," he said.

(Report by D. Breier, 47 Sauer Street, Johannesburg.)









★ 1 & 2 Infectious & Parasitic Diseases (including Respiratory Tuberculosis)
3 Diarrhoea, Gastritis and Enteritis
4 Influenza, Pneumonia and Bronchitis
5 Cardiovascular Diseases
6 Malignant and benign Neoplastics
7 Certain Degenerate Diseases
8 & 9 Accidents & Violence (including Motor Vehicle Accidents)
10 Certain Diseases of Infancy
11 & 12 Other Unknown Causes(including Complications of Pregnancy)

FRINGE BENEFITS — 2

Pension problems

Higher employer contributions to pension funds — which could cut deeply into company profits by an amount approaching R100m a year — are almost certain to be needed if fringe benefits are taxed in accordance with the controversial Standing Advisory Commission's proposals.

Moreover, this would be in addition to direct higher salary and wage demands from employees to compensate them for higher taxation.

Some pension funds are already finding difficulty in meeting obligations as benefits that they must pay have been swollen so much by persistent inflation, outstripping investment returns.

That strain on the funds would be magnified considerably if salaries and wages are raised to compensate employees for having to pay taxes on their fringe benefits.

The perks tax pension problem, say managers, is that if executives demand compensation for the taxation they incur on fringe benefits the additional remuneration would most likely be pensionable. This, they fear, will cause a "quite substantial" hike in the financing requirements of their funds, as pensions are usually based on salary levels at retirement.

There are three ways in which the financial strain on the funds could be lessened: increase pension contributions, extend the retirement age, or restructure pension benefits.

Fiachra O'Hanrahan, MD of African Pension Trustees, reckons that a hike of about 2,25% in salaries — almost R70m, working on last year's white wage bill — would be needed to compensate for the extra demands caused by fringe benefits taxation. This would be met straight out of the profits of companies which operate non-contributory schemes, such as banks.

Standard Bank's GM, personnel, Henry Fabian, says representations have already been made to the authorities on this score.

Fabian contends: "It's obviously fair to have an equitable tax base, but unfair to take such a cold and clinical approach to a long-standing practice."

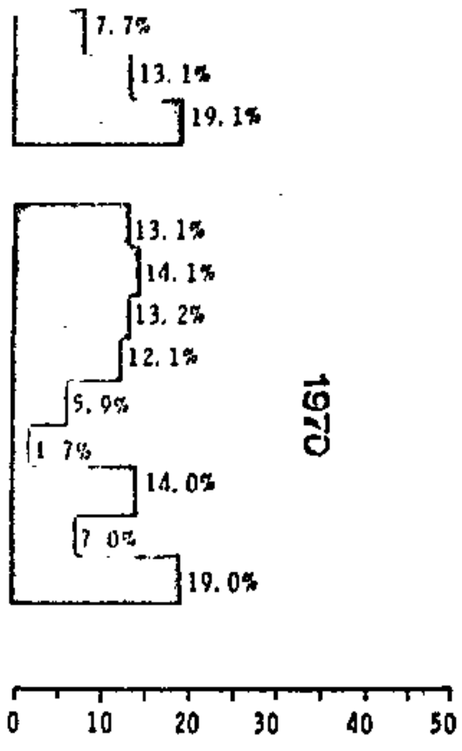
Old Mutual GM Tony van Ryneveld agrees that there will be some upward pressure on salaries. But, he adds: "Perks are not a God-given right." Anyway, he sees the pension aspect of the fringe benefits argument as small beer compared with the total cost to companies arising from the taxation of perks.

Van Ryneveld reckons an increase in the retirement age is another viable alternative. Although most companies currently have a standard retirement age of 65, many others pay off employees at 63. Pushing the age up would increase contributions, and shorten the retirement period, thus helping to take the load off the funds. But then productivity would suffer.

Liberty Life AGM (Pensions), Ben Lipshitz, is also fairly optimistic. Large demands for compensatory payments, causing a one-off discontinuity in the salary curve, he avers, would certainly put strain on pension funds which link repayments to final salary. But he points out that any additional remuneration awarded to executives could be designated non-pensionable.

But O'Hanrahan thinks much of this argument is unrealistic. "The extension of the retirement age would leave the country being run by a bunch of dotards," he protests, adding that a change in the retirement payout would be socially detrimental to all sectors of the community.

There are three important points underlined by this issue. One is that tax reform needs to be far more all-embracing than moves to tax fringe benefits alone. The other is that it is further evidence of the tax commissions's inadequate examination of the matter. The third is that the consequent reduction in social benefits might ultimately have to be made good by the State itself.



P DEATH

'D CAUSES OF DEATH
JS 1929 - 1970

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Wider gap as pensions go up

AS FROM October pensioners will get more — but the gap between the different races will widen.

The announcement was this week made by the three departments — Department of Co-operation and Development (for blacks), Department of Social Welfare and Pensions (for whites) and the Department of Coloured Affairs — who gave the current pensions as follows:

Mrs Salome Morolong . . . "Why can't they provide us with an old age home like whites?"

Mrs Elinah Shongwe . . . "Why should we be treated like beggars?"

Mrs Maria Thomo . . . "I don't know what this Government thinks of us."

Pix: BONGANI MNGUNI.

PENSION		INCREASE		TOTAL
Africans	R23,75	— R3,75	—	R27,50
Whites	R88,00	— R9,00	—	R97,00
Coloureds & Indians	R47,75	— R6,25	—	R54,00

The departments also stated that pensioners will receive a bonus in November. But the bonus will still have whites receiving more than all other groups.

The payments will be: Whites — R30; Coloureds and Indians — R24; Blacks — R18.

The announcement of the pension bonus was made by the Minister of Finance, Senator Owen Horwood, the National Party's Transvaal congress.

And black pensioners interviewed this week expressed bitterness about the low pensions.

Mrs Maria Thomo (76) of Orlando East, said: "I don't know what this Government thinks of us. How can one fend for oneself with this lousy R45,00?"

Mrs Elinah Shongwe (76) also of Orlando East, said: "Do we not deserve the comfort that whites receive from the Government? Why should we be treated like beggars? We have all the right to get exactly the same amount as whites."

Mrs Salome Morolong (85) of Dube Village told **POST**: "The number of hours we wait at the queues really makes me sick, especially for the peanuts we receive. I am old now and cannot afford to walk long distances for my pension.

The Forum
Letters to the Editor

S. A. pension iniquities

20/10/79

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Nim

SIR, — It is iniquitous that old age pensioners should be required to pay income tax on the pittance they receive. Until retirement they have paid income tax the whole of their "earning" years — surely they could keep for themselves their meagre pensions, without deductions.

I listened to our little friend on TV recently being so magnanimous as to what would be done with the budget surplus, and I wondered just what increase there would be in the old age pensions — probably R5 or R10 a month, as with previous increases, and then the wait of two to three months before receiving it.

It is iniquitous that, when Members of Parliament grant themselves an increase in salary, it is to the tune of thousands of rands, and from the passing of the grant it is retrospective for six months so that they not only receive a big increase, but a fat lump sum additionally.

Far more

I am willing to wager that the pensioners have done far more for the economy of our country than all these gentlemen combined, through their payment of income tax, through the work they have done, and through their contribution of children and grandchildren who have carried on the good work in all its many aspects, and are even now serving on the border, defending our country.

Means test

It is iniquitous that our country dares to call itself a country of "culture" when so many old age pensioners are living on or below the bread-line. It is iniquitous that our senior citizens have to apply for a pension, when it is their right to live in comfort and security, not a favour to be granted by the Government at its leisure.

It is iniquitous that the means test has not been revised since 1972. It should have been abolished long ago.

It is iniquitous to know of a married couple, who having both paid income tax until the age of 69, are South African born and bred, and who both have disabilities, have just been refused the old age pension on the grounds that their joint income (amounting to just a little over R200 a month) has exceeded the means test.

This is not only iniquitous, it is diabolical. Let our Members of Parliament go over to Britain and see for themselves what happens in a really "cultured" country. They will see that there is no starvation or living on or below the breadline. They will see how senior citizens should be treated.

E. B. BORLAND
P.O. Munster,
4278.

Getting old is only the first of your pension problems

RPM 29/10/79 360

This is the first of two articles by **BRUCE STEPHENSON** on the position of pensioners in this country. Today's article tells you how to go about getting a State pension and whether you qualify for aid. Tomorrow, the Rand Daily Mail will feature interviews with pensioners, politicians, social workers and the Department of Social Welfare and Pensions on the plight of SA's aged.

TO QUALIFY for an old age pension you have to be elderly — and that is the only uncomplicated part of the qualifications.

From that point on, the position becomes more complicated than Einstein's theory of relativity.

Many elderly people are unsure of their eligibility for a State pension. The following guide may help you to get a rough idea of your position. It is designed for whites, though the principle is the same for coloureds and Indians. The income and asset limits for coloureds, Indians and blacks are set out at the foot of this feature.

Firstly, all applications for social pensions must be made at your nearest office of the Department, or where there is no office, at the magistrate's office. Coloureds, Indians and blacks must approach their respective departments.

Getting a pension and the amount granted depends on your financial position. The Means Test is designed to establish the income and assets of the applicant and to make an award relative to his or her financial position. The less you have, the more you get.

The Department of Social Welfare and Pensions does not approve of information on the application of the Means Test being made public, so this guide has been compiled by Mr Geoff Oldfield, who as MP for Umbilo is a long-time campaigner for pensioners' rights.

There is a Maximum Income Level applied to annual income, calculated on a 4:2:1 ratio for the different race groups, being R984 for single whites, R492 for single coloureds and Indians, and R246 for single blacks. For couples, double the figures. If your income goes above those limits, you probably do not qualify for a pension.

The only applicants not subject to the Means Test are those who served full time during the Anglo Boer War (War Veterans' Pension) and persons over 100 years of age.

To qualify for an old age pension, you must be 65 if a man and 60 if a woman. You must be a South African citizen resident in the Republic, or must have been a permanent resident for five years.

Add up your income.

Add the gross pension from a former employer less contributions to a medical aid scheme.

Do you work? From the gross salary, deduct contributions to medical aid, pension fund and unemployment insurance. If you are a woman over 65 and man over 70, do not include wages in this list, except in the case of the self-employed.

Add R144 if you receive income from farming.

Income from business is set at the yearly net profit.

Do you rent out rooms to lodgers? With three or more lodgers, add one quarter of the total board paid to income. Disregard board paid by your unmarried children.

If you sublet rooms to two or more persons, add one quarter of the rent.

Should the wife work, but her husband's income is less than half that of her's, add one quarter of her salary and all of his to income, less compulsory deductions.

Note here that the combined assessed income of a married couple is halved for the application of the means test.

Now we come to assets. The total combined assets of a married couple are taken into account and are treated on the same basis as for a single person.

Fixed property you own is assessed at a maximum value of R9 800 whatever the real value if you occupy it. If you do not occupy it add the municipal valuation less bond.

Add the value of all investments, but disregard income from them.

The capital value of usufruct is taken into account up to 10 years from the date you became entitled to it.

Add the value of assets if you gave them away less than five years before applying for a pension.

Add the full value of agricultural property rented out for farming purposes.

The capital value of annuity investments is added. Disregard interest and annuity payments.

Finally, add the capital value of any business you own.

If you calculate that your income is above R984 a year (R82 a month) or the value of your assets exceeds R34 400, you are probably not entitled to a pension. Your pension of R57 to R97 a month is calculated on a sliding scale between these two limits.

But this is not intended to be a complete or foolproof guide. Apply anyway. Let the Department do the calculations.

Then there are a few extras for those not living in a State-subsidised old age home. For the bedridden or those over 85 years, you are entitled to an attendant's allowance of R10 a month.

A supplementary allowance is payable on a sliding scale to those who have delayed their applications for at least one year. It starts at R5 monthly for men of 66 and women of 61 and goes up to R11 for men of 69 plus and women of 64 plus.

The means test for coloureds and Indians is applied on the same basis as for whites, though its limits are half those for whites. Maximum income level is set at R492 a year or maximum assets at R17 200. War Veterans receive an extra R5. Attendants allowance is R5 and supplementary allowances are from R2,50 to R5,50 — all half those for whites.

The means test for blacks is based on income only, and pensions paid are half those for coloureds and Indians. The income limit is set at R246 a year.

The maximum pension is R330 a year (R27,50 a month) and the minimum is R200 a year (R17,50 a month), payable every second month. To these basic amounts can be added R2,50 for war veterans and supplementary allowances from R1,25 to R2,75 for delayed applications.

The War Veterans' pension, worth R10 more all along the scale, has a lower qualifying age, being 60 for both men and women. It may also be paid to a war veteran under 60 if he is physically or mentally unfit for work.

A Blind Persons' pension is payable to a registered blind person from 19 and all qualifications are the same, except that only half of the person's earnings is regarded as income for means test purposes.

Disability pensions apply from 16 years of age. A district surgeon's evidence that the person is unable to work is required. Parents' financial position is not taken into account.

Old and alone, they wait out their days in stark solitude

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30/12/79

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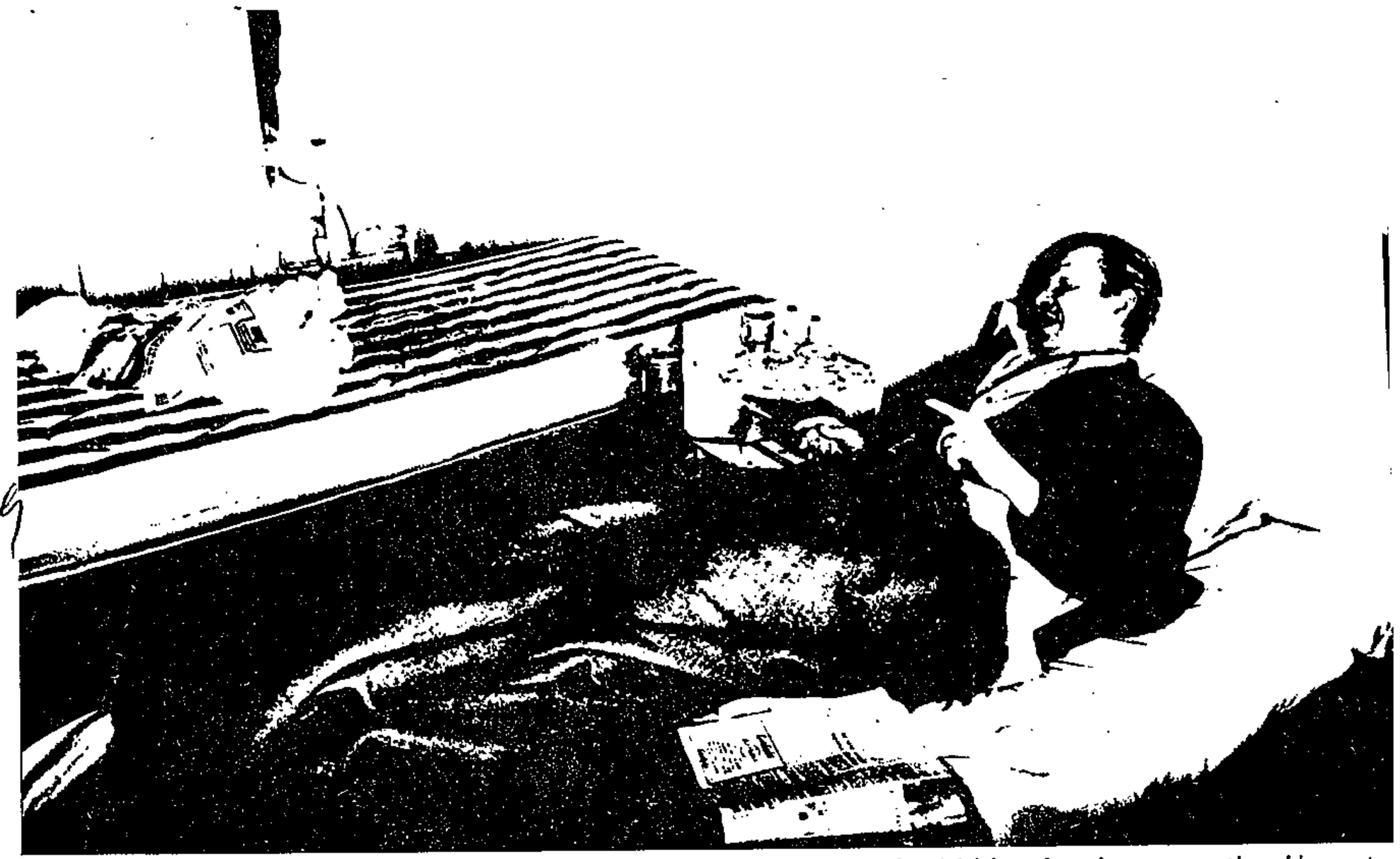


Former detective sergeant Hendrik Labuschagne, 69, has been bedridden for three months. He gets a pension from the SAP of R100 a month, but does not think it is enough for him to live on. His daughter feeds him.

Picture: RUI VEIERA

can be compared by cost-effectiveness analysis;

(c) to know the effectiveness of a given amount of money when spent on different objectives, so that choices can be formulated in terms of the alternatives we might afford - so many geriatric day care centres, so many child welfare clinics, etc.

Financial statistics are not traditionally arranged on this basis but in categories such as 'salaries', 'transport', 'medicines', etc. A second

criteria, and those in which the role of the public through political

How would you like to live on a solitary meal of porridge and cheap meat a day? Or not be able to see the flowers that bloom in your 3 m by 5 m room because you are going blind? BRUCE STEPHENSON highlights the plight of the aged poor and poses the question: Who must care for them?

HENDRIK Labuschagne is an admirable old man. Strong of mind but weak of body, he has lain for three months on a crumpled bed without sheets in the tiny room above Wolmarans Street.

Down below, the cars roar and snarl, but Oom Hendrik, who has not seen the sun in Joubert Park for 90 long days, does not really seem to mind. His thoughts are maybe on Pietersburg, where he grew up, or on his days in the CID, where he reached the rank of Detective Sergeant First Class before retiring.

"I have always been a fit man — had to be for for my work — then I went down just like that. Otherwise I'm alright. The ticker's not so good though, but I'm alright," he says cheerfully, but a wistful hand strokes his now useless legs beneath the worn blanket.

At 69, Det-Sgt Labuschagne has been out of the Force for five years. He gets R100 a month police pension, but he says this is not enough to keep him properly.

How does he get his food? I asked.

"My daughter Meisie, she's a lovely girl, she looks after me," he says. She had brought him the morning's "Mail", so he is not without something to while away the long hours. "I always read the 'Mail' — it's the only paper that tells the truth. It doesn't try to hide behind a bush."

Despite the tiny, dingy room that he pays R33 a month for, Oom Hendrik is one of the lucky ones. He at least has family.

Upstairs in the same building lives 63-year-old Tom King, near-blind and out of the mines with a disability pension of R88 a month. He pays R33 a month for his tiny room, 3 m by 5 m.

His furniture is a small bed, fridge, a hotplate perched on an old box, a table, one chair and two old car seats. His one window looks out onto a brick wall and a rubble-strewn concrete yard. He has tried to liven the place up with a few potplants on the windowledge, but he can't see well enough to notice when they flower.

He went without breakfast that morning. And without lunch. Supper was a small plate of porridge and a cheap cut of meat. His money, he told me, went on rent, lights, meat, mealiemeal and vegetables. The showers in the building are always cold, he says.

Why didn't he go to one of the Senior Citizen's Centres nearby for a 60c three-course meal once in a while?

"I don't know anything about that. I don't know anybody. I've never mixed and I can't change my habits now," he said.

He told me he grew up in Langlaagte Orphanage before the war, and joined the mines after he was demobbed. He moved around a lot, spending his pension money between jobs.

"Up in Tsumeb I was earning R1 200 a month as a shaft-sinker. When you have money, you have friends. No money means no friends. I don't know why, but I just never saved any money."

The only visitor he has had in six months is the Hillbrow PFP provincial councillor, Mr Simon Chilchick. Strongly concerned about forgotten aged, Mr Chilchick and his parliamentary colleague, Mr Alf Widman, have repeatedly called on the Government to set up a Commission of Inquiry to review the situation of social pensioners.

Mrs Zerilda Nel, senior social worker for the Johannesburg Council for the Care of the Aged, is adamant that people should be forced to save for their winter years.

"The most important change to the present pension setup that I would like is for the gap between white, coloured and black pensions to be closed more quickly than is being done now. Black and coloured pensioners are being hit very hard by rising food costs. They simply cannot make out."

In addition, black pensioners are often forced to feed the unemployed members of their family on their R27,50 a month.

Next on Mrs Nel's list of priorities for change is transferability of pension moneys.

"Then that money would stay secure and not be spent on a car or a radio or something else.

"Second, I would like to see a contributory pension fund administered by the State. People must be forced to save. They must be forced to provide for their old age," she says.

Mr C V van Heerden, Deputy Secretary in charge of Social Pensions, assures me that he is concerned about the plight of the pensioner in these times of high-stepping inflation, and does admit indirectly that the maximum income level of the means test could be a little behind the times. The means test has not been readjusted since 1972.

"Our funds are not inexhaustible. The maximum income level remains where it is because there are simply not enough funds to take care of the thousands upon thousands of new applications that would come streaming in if it were raised. It would open the floodgates and there is simply not anough money available," he says.

"Social pensions are always a priority with the Minister of Finance. All increases are based on the consumer price index. Our main problem is that we have a non-contributory scheme, so we are limited in what we can pay."

One of the tasks of an internal committee appointed in 1977 by Senator J P van der Spuy, then Minister of Social Welfare and Pensions, is to investigate the feasibility of a contributory State pension scheme. Its findings are expected to be published late next year.

Mr Van Heerden's attitude is that State pensions are not the concern of newspapers. He refers to a case the "Mail" publicised recently, of Mr and Mrs Henry Pike of Krugersdorp. Their State pensions were stopped without notice when Mr Pike's mine pension was increased and so pushed their annual income a few rand over the maximum income level permitted by the means test.

"Why do you write nonsense like this? Why should they go to the newspapers when they can come to us for help?" he asked.

Mr Van Heerden was not impressed with the Pike's reasons for writing to the "Mail" for help: that they had never been informed of the cutoff, their letters to the department had gone unanswered and, finally, when the "Mail" established that their pensions had in fact been reinstated two months after the cutoff, the department never informed them.

"Contrary to the popular belief, it is not our intention to take a man's pension away.

"Instead of coming to us, why don't you ask the private pension schemes why they don't pay their former employees a decent amount to live on? Ask them why their pensioners have to come to the State for help. After all, those people who have worked all their lives should deserve a decent pension," he says.

Mr J R Frost, General Manager of the Mining Industry Pension and Provident Fund, replies: "I think that is a stupid question from Mr Van Heerden. We can only pay the funds available, just as a company's dividends are limited. Our income is limited to interest from investments and from contributions."

Mr Geoff Oldfield, MP for Umbilo in Natal, is a tireless campaigner for pensioners' rights.

The realistic approach to solving the pensioners' crisis, he says, is to introduce a contributory State pension scheme that, for a start, would do away with the applicaton of a 4:2:1 ratio when devising white, coloured and Indian, and black pensions. You would get a pension that related to your contributions throughout your working life, whatever your race or colour.

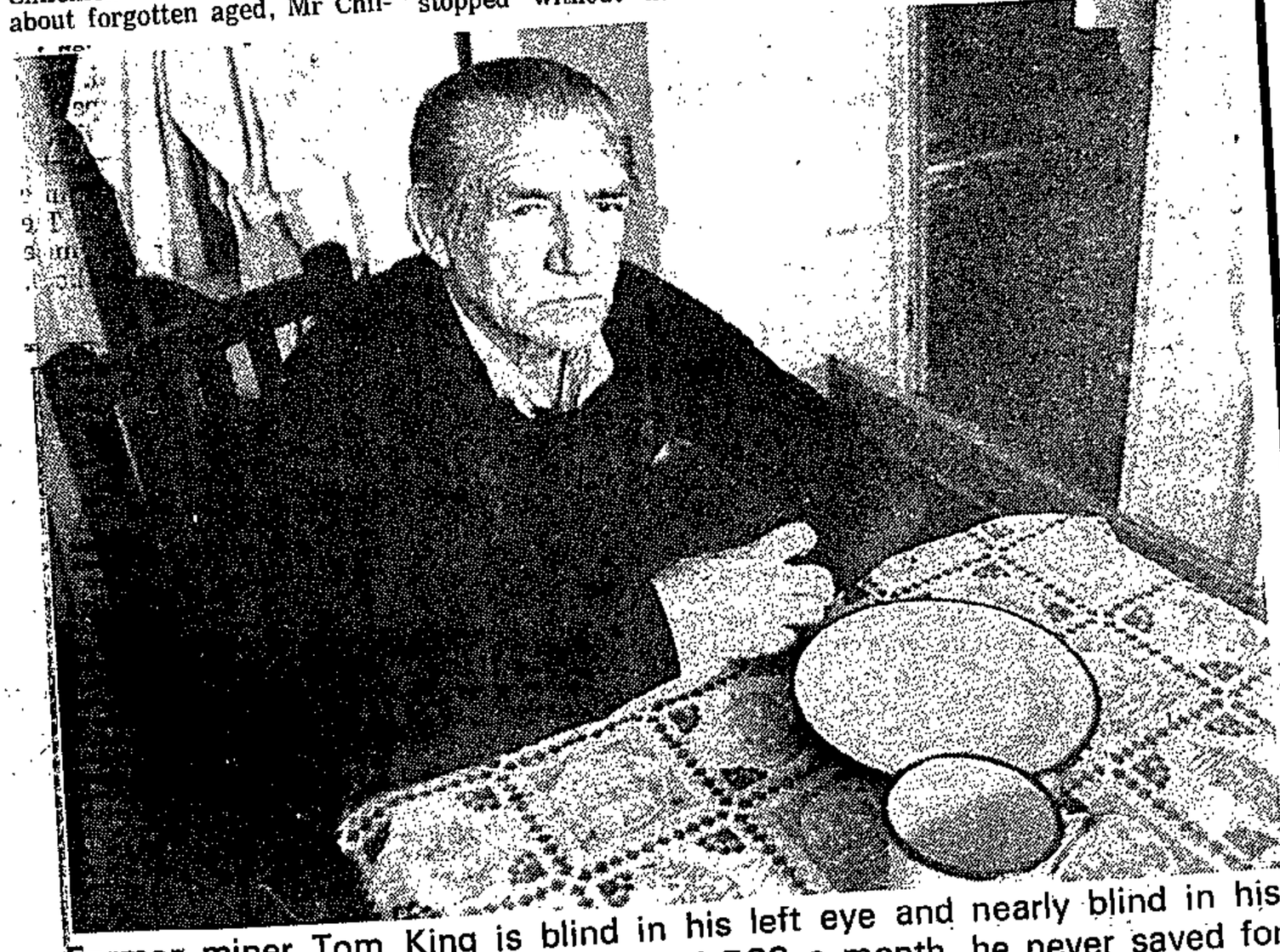
Such a scheme was essential for working people who do not contribute to a private pension fund. And there are more than a few of those cases.

"With the introduction of a contributry scheme, the Government would be able to slowly phase out the means test altogether.

"We talk of closing the wage gap between white and black, but no attempt is made to close the pension gap."

Secondly, more State support is needed for relief organisations such as "Meals on Wheels" and "Home Help Services". The present subsidies are inadequate, he says.

"Pensioners are living in a time of tremendous insecurity. Every time they open a newspaper and see that something else has gone up in price, it is another nail in their coffin," Mr Oldfield says.



Former miner Tom King is blind in his left eye and nearly blind in his right. Living on a disability pension of R88 a month, he never saved for his old age.

(iv) Proportional Mortalit...

Pensioner is told to vacate her house

By IKE MOTSAPI

A PENSIONED Katlehong, Germiston mother of seven was yesterday ordered to leave her house and find herself other accommodation by a Katlehong superintendent.

Mrs Maria Mokotedi (64) of 529 Nhlapo Section, Katlehong, said she was called to the superintendent's office where she was told to vacate her house by yesterday. She said the order was made by a Mr Bouer.

When she asked for the reasons why she should leave her house, she said, she was told that she did not have a husband, and that her children would be allocated another house.

Mrs Mokotedi further alleged that a community councillor in her ward recommended that she be thrown out of her house. She said the recommendation was approved by the chairman of the Katlehong Community Council, Mr Mpiyake Kumalo.

A Mr Feirreira from the East Rand Administration Board said he knew nothing about the matter.

Mrs Mokotedi.

Mr Kumalo however, told **POST** that Mrs Mokotedi had been ordered out of the house because "she had lost the right to own it." He said Mrs Mokotedi had divorced her husband about 10 years ago, and was married to another man.

He said when Mrs Mokotedi's former husband died in 1975, she went back to live in her former husband's home with her children. Mr Kumalo said Mrs Mokotedi now wanted to change the house to her name.

Mr Kumalo said Mrs Mokotedi's children can remain in the house, but she has to live with them as a sub-tenant, or find other accommodation.

by 1970, this figure had decreased to 15,7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15,2% to 7,1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality experience of the white, 'coloured' and African communities.

During the period 1929 to 1970, the whites have shown a changing spectrum of mortality which is classically associated with an improving health status. Infectious diseases have become less important and the major causes of death are increasingly related to Cardiovascular and Neoplastic diseases. The 'coloureds' and Africans, however, have a persistently high proportion of deaths caused by infectious diseases. The Africans exhibit a spectrum of mortality which is characteristically associated with developing communities, whilst the 'coloureds' appear to occupy an intermediate position between the whites and Africans, although it is clearly much more similar to the Africans than it is to the whites.

What is of particular concern about the 'intermediate' position of the 'coloureds' is that it would appear to incorporate the worst of both the developed and the developing experiences. This becomes apparent from Table II which provides a more detailed analysis of the different diseases contributing to the overall mortality of the whites and 'coloureds' in the form of cause specific mortality rates for defined age groups. Thus, although cardiovascular diseases are consistently responsible for a fairly small proportion of the overall mortality of the 'coloureds', Table I indicates that the actual rates for cardiovascular diseases have been fairly similar for both whites and 'coloureds' since 1941.

Clearly, the broad diagnostic categories used in this analysis conceal a certain amount of information. However, because of the changes in disease classification which have taken place since 1929, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 5/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

...be expected ... the mortality rates for persons over 65 years have shown a rising trend, it is of some concern that the mortality rates have also increased between 1960 and 1970 for 'coloureds' in the 25-44 and 45-64 years age groups.

The imbalance between the age specific mortality rates of whites and 'coloureds' has improved or remained constant for persons between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 28,0% of the mortality of 'coloured' children;

DEPARTMENT OF SOCIAL WELFARE AND PENSIONS

No. R. 2447 2 November 1979

REGULATIONS UNDER SECTION 11 OF THE GENERAL PENSIONS ACT, 1979

By virtue of the powers vested in me by section 11 of the General Pensions Act, 1979 (Act 29 of 1979), I, Lourens Albertus Petrus Anderson Munnik, Minister of Social Welfare and Pensions, after consultations with the Ministers and the Administrators referred to in subsection (1) of the said section, hereby make the regulations set out in the Schedule hereto.

L. A. P. A. MUNNIK, Minister of Social Welfare and Pensions.

DEPARTEMENT VAN VOLKSWELSYN EN PENSIOENE

No. R. 2447 2 November 1979

REGULASIES KRAGTENS ARTIKEL 11 VAN DIE ALGEMENE PENSIOENWET, 1979

Kragtens die bevoegdheid my verleen by artikel 11 van die Algemene Pensioenwet, 1979 (Wet 29 van 1979), vaardig ek, Lourens Albertus Petrus Anderson Munnik, Minister van Volkswelsyn en Pensioene, hierby na oorleg met die Ministers en die Administrateurs vermeld in subartikel (1) van genoemde artikel, die regulasies in bygaande Bylae vervat, uit.

L. A. P. A. MUNNIK, Minister van Volkswelsyn en Pensioene.

666716

SCHEDULE

REGULATIONS

Definitions

1. (1) In these regulations, unless the context otherwise indicates—

"average salary" means the average annual salary or wages of the officer or employee concerned which is taken into account for determining the benefit which is payable in terms of the relative pension fund regulations on his death, retirement or discharge;

"dependant" means any person designated for the purposes of these regulations by the Secretary as a dependant of an officer or employee, as the case may be;

"disablement" means disablement as determined by the Workmen's Compensation Commissioner in terms of the Workmen's Compensation Act, 1941 (Act 30 of 1941);

"formula A" in relation to a matter to be calculated in accordance with formula A, means—

E x F x G

in which—

factor E is equal to 6,72 per cent;

factor F is the average salary of the officer or employee concerned; and

factor G is equal to 5;

"formula B" in relation to a matter to be calcalculated in accordance with formula B, means—

E x F x H x J

in which—

factor H is the period which follows immediately on the date of the retirement or discharge or death of the officer or employee concerned up to and including the last day of the month on which or in which he, if he is or was then alive, shall attain or woud have attained the age of 65 years—

factor J is the percentage of disablement of the officer or employee concerned; and

factors E and F, respectively have the same meaning as factors E and F in the definition of formula A;

"formula C" in relation to a matter to be calculated in accordance with formula C, means—

F x G x K

in which—

factor K is equal to one fifty-fifth; and factors F and G respectively have the same meaning as factors F and G in the definition of formula A;

"formula D" in relation to a matter to be calculated in accordance with formula D, means—

F x H x J x K

in which—

factors F, H, J and K respectively have the same meaning as factors F, H, J and K in the definition of formulas A, B and C;

"Revenue" in relation to an officer or employee—

(i) of the Government, means the State Revenue Fund;

(ii) of the Department of Posts and Telecommunications, means the Post Office Fund; and

BYLAE

REGULASIES

Woordomskrywings

1. (1) In hierdie regulasies, tensy uit die samehang anders blyk, beteken—

"afhanklike" 'n persoon wat die Sekretaris vir die doeleindes van hierdie regulasies as 'n afhanklike van 'n beampte of werknemer, na gelang van die geval, aanwys;

"arbeidsongeskiktheid" arbeidsongeskiktheid soos deur die Ongevallekommissaris ingevolge die Ongevallewet, 1941 (Wet 30 van 1941), bepaal;

"die Wet" die Algemene Pensioenwet, 1979;

"formule A" met betrekking tot 'n aangeleentheid wat ooreenkomstig formule A bereken moet word—

E x F x G

waarin—

faktor E gelyk is aan 6,72 persent;

faktor F die betrokke beampte of werknemer se gemiddelde salaris is;

faktor G gelyk is aan 5;

"formule B" met betrekking tot 'n aangeleentheid wat ooreenkomstig formule B bereken moet word—

E x F x H x J

waarin—

faktor H die tydperk is wat onmiddellik volg op die datum van die betrokke beampte of werknemer se afdanking of ontslag of afsterwe tot en met die laaste dag van die maand waarop of waarin hy, indien hy dan in lewe is of was, die ouderdom van 65 jaar sal bereik of sou bereik het;

faktor J die persentasie arbeidsongeskiktheid van die betrokke beampte of werknemer is; en

faktore E en F, onderskeidelik dieselfde betekenis het as faktore E en F in die omskrywing van formule A;

"formule C" met betrekking tot 'n aangeleentheid wat ooreenkomstig formule C bereken moet word—

F x G x K

waarin—

faktor K gelyk is aan een vyf-en-vyftigste; en faktore F en G onderskeidelik dieselfde betekenis het as faktore F en G in die omskrywing van formule A;

"formule D" met betrekking tot 'n aangeleentheid wat ooreenkomstig formule D bereken moet word—

F x H x J x K

waarin—

faktore F, H, J en K onderskeidelik dieselfde betekenis het as faktore F, H, J en K in die omskrywing van formules A, B en C;

"gemiddelde salaris" die gemiddelde jaarlikse salaris of loon wat in berekening geneem word vir die bepaling van die betrokke beampte of werknemer se voordeel wat betaalbaar is by sy sterfte, afdanking of ontslag kragtens die toepaslike pensioenfondsregulasies;

"Inkomste" met betrekking tot 'n beampte of werknemer—

(i) van die Regering, die Staatsinkomstefonds;

(ii) van die Departement van Pos- en Telekommunikasiewese, die Poskantoorfonds; en

(iii) of a provincial administration, means the provincial revenue fund concerned;

"Secretary" means the Secretary for Social Welfare and Pensions;

"the Act" means the General Pensions Act, 1979;

"Workmen's Compensation Commissioner" means the Workmen's Compensation Commissioner appointed in terms of section 12 (1) of the Workmen's Compensation Act, 1941 (Act 30 of 1941);

and any word to which any meaning has been assigned in section 11 of the Act, shall have that meaning.

(2) In the determination of the average salary of an employee who is a member of the Reserve Police Force or of the Police Reserve referred to in section 11 (4) of the Act, the amount determined by the Minister of Police in consultation with the Minister of Finance from time to time as the annual salary of such employee or of employees of the category of employees to which such employee belongs, shall be deemed to be the average salary of such employee.

Compensation on retirement or discharge

2. (1) If an officer or employee is retired or discharged as a result of injury or ill-health not occasioned by his own fault, arising out of and in the course of his employment, there shall be paid to him out of Revenue a gratuity calculated in accordance with formula A or B according to which one of such formulas shall be more beneficial for such officer or employee.

(2) If an officer or employee is thus discharged and the percentage of his disablement is more than 30 per cent, there shall be paid to him, out of Revenue, in addition to the gratuity which is paid to him in terms of subregulation (1), an annuity calculated in accordance with formula C or D according to which one of such formulas shall be more beneficial for such officer or employee.

(3) For the purposes of this regulation, an employee who is a member of the Reserve Police Force or of the Police Reserve as referred to in section 11 (4) of the Act, shall be deemed to have been retired or discharged with effect from the date on which his membership of such Reserve Police Force or Police Reserve is terminated.

Compensation payable on death of an officer or employee

3. (1) If an officer or employee dies as a result of injury or ill-health not occasioned by his own fault, arising out of and in the course of his employment, before a gratuity or an annuity has been paid to him in terms of regulation 2, there shall be paid to his dependants, an amount out of Revenue which is equal to the gratuity and five times the annuity which would have been payable to such officer or employee in terms of regulation 2 if he had not died in that manner.

(2) If an officer or employee to whom an annuity has been awarded in terms of regulation 2 dies within a period of five years after the said annuity has been awarded to him, there shall be paid out of Revenue to his dependants designated by the Secretary, an amount which is equal to the total of the annuity which would have been paid to him during the period from the first day of the month which follows immediately on the date of his death up to an including the last day of the month in which the said period of five years expires, if he had not died.

(iii) van 'n provinsiale administrasie, die betrokke provinsiale inkomstefonds;

"Ongevallekommissaris" die Ongevallekommissaris kragtens artikel 12 (1) van die Ongevallewet, 1941 (Wet 30 van 1941), aangestel;

"Sekretaris" die Sekretaris van Volkswelsyn en Pensioene;

en het 'n woord waaraan daar in artikel 11 van die (Wet 30 van 1941), aangestel;

(2) By die bepaling van die gemiddelde salaris van 'n werknemer wat 'n lid van die Reserwepolisiemag of van die Polisiereserwe is soos bedoel in artikel 11 (4) van die Wet, word die bedrag wat die Minister van Polisie in oorleg met die Minister van Finansies van tyd tot tyd bepaal as die jaarlikse salaris van so 'n werknemer of van werknemers van die kategorie werknemers waartoe sodanige werknemer behoort, geag die gemiddelde salaris van sodanige werknemer te wees.

Vergoeding by afdanking of ontslag

2. (1) Indien 'n beampte of werknemer as gevolg van besering of swak gesondheid wat sonder sy eie toedoen uit en in die loop van sy diens ontstaan het, afgedank of ontslaan word, word daar aan hom 'n gratifikasie, bereken ooreenkomstig formule A of B, na gelang van watter een van sodanige formules vir sodanige beampte of werknemer die voordeligste is, uit Inkomste betaal.

(2) Indien 'n beampte of werknemer, aldus ontslaan word en die persentasie van sy arbeidsongeskiktheid meer as 30 persent is, word daar, benewens die gratifikasie wat ingevolge subregulasie (1) aan hom betaal word, 'n jaargeld, bereken ooreenkomstig formule C of D, na gelang van watter een van sodanige formules vir sodanige beampte of werknemer die voordeligste is, uit Inkomste aan hom betaal.

(3) By die toepassing van hierdie regulasie word 'n werknemer wat 'n lid van die Reserwepolisiemag of van die Polisiereserwe is soos bedoel in artikel 11 (4) van die Wet, geag afgedank of ontslaan te wees met ingang van die datum waarop sy lidmaatskap van sodanige Reserwepolisiemag of Polisiereserwe beëindig word.

Vergoeding betaalbaar by afsterwe van 'n beampte of werknemer

3. (1) Indien 'n beampte of werknemer as gevolg van besering of swak gesondheid wat sonder sy eie toedoen uit en in die loop van sy diens ontstaan het, te sterwe kom voordat 'n gratifikasie of jaargeld ingevolge regulasie 2 aan hom betaal is, word daar aan sy afhanklikes uit Inkomste 'n bedrag betaal wat gelykstaan met die gratifikasie en vyf maal die jaargeld wat ingevolge regulasie 2 aan sodanige beampte of werknemer betaal sou gewees het indien hy nie aldus te sterwe gekom het nie.

(2) Indien 'n beampte of werknemer aan wie 'n jaargeld ingevolge regulasie 2 toegeken is, te sterwe kom binne 'n tydperk van vyf jaar nadat bedoelde jaargeld aan hom toegeken is, word daar uit Inkomste aan sy afhanklikes wat die Sekretaris bepaal, 'n bedrag betaal wat gelykstaan met die som van die jaargeld wat gedurende die tydperk vanaf die eerste dag van die maand wat onmiddellik volg op die datum van sy afsterwe tot en met die laaste dag van die maand waarin bedoelde tydperk van vyf jaar verstryk aan die beampte betaal sou gewees het indien hy nie gesterf het nie.

) If any gratuity referred to in subregulation (1) (2) is payable to two or more dependants, such uity shall be paid to such dependants in such pro- tions as the Secretary may determine.

Medical treatment

If the Secretary is of the opinion that an officer employee referred to in regulation 2 is in need of dical treatment referred to in section 11 (1) of the , in respect of an injury or ill-health to which the ablement of such officer or employee is related, he y authorise such treatment and if he authorises such tment, the cost of such treatment shall be paid from venue.

Control and delegation

(1) The Secretary shall administer this Scheme the cost thereof shall be paid from the State venue Fund.

2) The Secretary may, with the approval of the nister, authorise any officer of the Government partment of which the Secretary is the head, to rcise or perform on his behalf any of the powers functions, which have been conferred upon or igned to the Secretary by these regulations.

Date of commencement

These regulations shall be deemed to have come operation with effect from 5 April 1979.

(3) Indien 'n gratifikasie bedoel in subregulasie (1) of (2) aan twee of meer afhanklikes betaalbaar is, word sodanige gratifikasie aan sodanige afhanklikes betaal in die verhoudings wat die Sekretaris bepaal.

Geneeskundige behandeling

4. Indien die Sekretaris van oordeel is dat 'n beampte of werknemer in regulasie 2 bedoel, enige geneeskundige behandeling soos in artikel 11 (1) van die Wet bedoel, nodig het ten opsigte van 'n besering of swak gesondheid waarop die arbeidsongeskiktheid van sodanige beampte of werknemer betrekking het, kan hy magtiging vir sodanige behandeling verleen en, indien hy sodanige magtiging verleen, word die koste van sodanige behandeling uit Inkomste betaal.

Beheer en delegasie van bevoegdhede

5. (1) Die Sekretaris administreer hierdie Skema en die koste daarvan word uit die Staatsinkomstefonds bestry.

(2) Die Sekretaris kan, met die goedkeuring van die Minister, 'n beampte van die staatsdepartement waarvan die Sekretaris die hoof is, magtig om enige bevoegdheid of werksaamheid wat by hierdie regulasies aan die Sekretaris verleen of opgedra word namens hom uit te oefen of te verrig.

Datum van inwerkingtreding

6. Hierdie regulasies word geag in werking te getree het met ingang van 5 April 1979.

Rosie's formula works wonders for pensioners

A comfortable way of doing gardening. She only needs a chair and a bath to boost her productivity.

MRS ROSIE BILLA of 3991 Chiawelo has come up with a successful formula for the old aged pensioners in her area.

She is the founder of the Recreation and Social Club for old aged pensioners in Chiawelo. A member of the multiracial Women for Peace, Mrs Billa shares the little knowledge of how to combat high inflation with her elderly friends on Thursdays and Sundays.

The club was founded eight months ago. They have grown vegetables in the open veld opposite their homes and have since then made sure that they do not just throw away anything.

"They have learnt to make delicious meals out of pumpkin peels and overripe tomatoes and oranges," Mrs Billa proudly said.

When POST Woman visited the club in the congested back-yard of Mrs Billa's four roomed house, the jolly grannies were busy grinding baked peanuts to make peanut butter.

Some were doing patchwork while others were doing gardening. The little ones were also there to help their grannies wherever they could.

For the pensioners who find it difficult to work in the garden, Mrs Billa made life easier. She taught them how to grow vegetables in an old bath.

"We first make a compost with soil, old tins, newspapers and bones in the bath. The compost should fill the bath up to the brim so that the old ladies can do gardening sitting down," Mrs Billa said.

Mrs Billa was supervisor at the African Self-Help creche in Chiawelo. On her retirement earlier this year, she became engaged in voluntary work. She said the club will close on November 15, and each member will be presented with Christmas gifts.

She also appeals to the community for donations, even if it is only pieces of material for they will put it to good use. Mrs Billa can be contacted at 935-1044.

Mrs Rosie Billa (centre) with two of her club members.

The older you become the more you learn.

They make their own peanut butter. They only need baked peanuts and a mincer to save extra cents.

(*d*) whether or no
to be personal
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F. M. 23/11/79

JOHN ORR DEAL

All on a winner

Only-winners look like emerging from the four-store property deal tied up by John Orr last week. The Mines Pension Fund (MPF) is coming out of it with an initial net return of just over 9%, leaseback tenant Edgars has a useful new penetration in four CBDs and John Orr itself has boosted cash resources by R9m without underselling assets.

A year ago 9% wasn't exactly an appealing rate for the institutions; today it looks right in line with market. So when John Orr moves out in January, it will be able to look back on a job well done. From then on, it's between Edgars and the MPF.

It is impossible to assess the long-term pros and cons without escalation rates — which Edgars is traditionally reluctant to reveal. The fact that the lease is a long one (25 years) makes the rate even more important, and the *FM* understands that Edgars is paying a small premium — probably about 6%.

But there's more to it than that because Edgars will become sub-landlord in its own right over at least some of the properties. The Durban store, for example, consists of 7 500 m² which is too much to handle and some of the space will remain on lease to outside tenants. This will lessen the interest burden, which kicks off at between R800 000 and R900 000 a year.

The parties have negotiated the deal as a single package. Agent Geoff Chait says terms were negotiated "backwards" with Edgars first to show its hand by offering a rental figure. Agreement was then reached with the MPF and the selling price hit the spot with John Orr. So the end result has been smiles all round.

But it is still not the end of the pruning for Orr. Chairman Nick Labuschagne confirms to the *FM* speculation that it is getting out of the Rosebank Mall and, he hopes, Eastgate as well. The 1 000 m² Mall shop is expected to be taken by furniture specialists Grusd Bros (of Lounge Suite fame) who will probably be trading under a new name.

And that's more than acceptable to Mall GM Geoff Earnshaw, who sees the additional comparative furniture shopping in the centre as a welcome plus for the tenant mix.

Eastgate negotiations

The Eastgate negotiations are not as far advanced. Edgars is already well-represented and is unlikely to be a candidate. Other department stores are likely to be scared off by the available space — too small for a full-line operation and too large for something more exclusive. It is one of the reasons why John Orr hasn't made a go of it.

If Eastgate is also dropped, it will bring the number of outlets down to seven, and all of them, says Labuschagne, can be expected to contribute now that the La Lucia store looks like turning the corner. The successful Milady's and Hub operations aren't being touched, he says, and future results should reflect the "cutting out of the cancer."

Surprisingly, though, he doesn't see John Orr itself going downmarket to compete directly with the supermarkets and discounters who have done most of the damage.

"Our intention is to trade up again," he says bravely, "we still believe there's a big gap at the top of the market which needs to be filled."

the Master a further account ... f
any time and in any case where the liquidator has funds in ... —
opinion of the Master to be distributed or applied towards the payment of debts, unless
the liquidator in writing to frame and lodge with him an account and plan of distribution
in respect of such funds within a period specified.

(2) Any account shall be lodged in duplicate in the p
supported by vouchers, including the liquidator's bank st
from his bank and building society accounts showing all d
shall be verified by an affidavit in the prescribed form.

404. Master may grant extension of time for lodging :
is unable to lodge an account with the Master under se
expiration of any relevant period prescribed under that sec

(*a*) make and lodge with the Master an affidavit stating the reason ... not able to lodge an account, the amount of funds in hand available for distribution, a summary of the position in respect of the winding-up, and whether he has applied for an extension of time, and shall send a copy thereof to each creditor of the company; and

(*b*) lodge with the Master written reasons for his inability to lodge the account in question together with a statement of the grounds, if any, upon which he claims an extension of time within which to lodge such account,

and the Master may thereupon grant such an extension of time as he may in the circumstances think necessary.

(2) If any liquidator fails to lodge an account with the Master as required by section 403 and to comply with paragraphs (*a*) and (*b*) of subsection (1) of this section, the Master or any person having an interest in the company may serve a notice on the liquidator requiring him within two weeks after the date of the notice—

F. M. 23/11/79

COMPANY REPORTING

Accounting for pensions

A company's pension fund has long been regarded as a matter concerning the company and its employees, and one that is of relatively little interest to shareholders.

In recent years, that attitude has begun to change. First, there has been the need to "top up" pension funds as inflationary pressures on salaries have left gaps in the funding of those funds (the vast majority) where pension benefits are related to final salary. Although this has been felt in SA, it has had relatively minor impact here; but it has been particularly noticeable in the UK and the US, where a good deal of publicity has been attracted by the dramatic need to pump millions into funds to ensure their viability.

And those millions, paid to the funds by the companies, have, effectively, come straight from shareholders' pockets.

Another factor which will bring pension fund funding more to the forefront of corporate affairs is the issue of the preservation, and/or transferability, of pensions, and the related issue of the vesting (in the employee) of the employer's contributions when the employee leaves service.

Following the discussions of the past couple of years, the pensions industry now expects legislation on this subject within the next year or so. There is, in fact, almost no dispute on the desirability, even the need, to preserve pension rights of a departing employee, and to transfer those rights, if possible, to his or her new employer's pension fund. It is the technical difficulties, outside the scope of this article, which provide the snags.

The main objection to the present system, of repaying to the leaver his own contributions, with or without a nominal rate of interest, is that this lump sum is frequently squandered, rather than being tucked away for old age, as it obviously should be. Indeed, the availability of "the pension money" is all too often one reason for leaving job A — and blowing the lot on a first-class holiday, or on the settlement of debts — before starting job B.

The other side of this coin, however, is that staff turnover — turnover, that is, above the rate allowed for by a fund's actuaries — is a major source of "profit" to a number of pension funds. This is simply because the leaver is being penalised, and heavily at that. First, the company's own contributions in respect of his service — which at a minimum are equal to his, but frequently are greater — remain in the fund; and secondly, the rate of interest paid out on his own contributions, if interest is paid at all, will be at a nominal 2.5% or so, giving the fund an interest profit on the 10% or so that the money has actually earned.

Without these windfall profits — which by law will cease within the foreseeable future — many a pension fund would be under-funded. Hence it would — or rather, will — require a hefty subvention from the employer. Which means, of course, from the shareholders.

It is for these, and a number of lesser reasons, that the *FM*, together with the Bureau of Financial Analysis of the University of Pretoria, has decided to enter a controversial arena and include marks for pension fund reporting in the new rules for the Accounts Award which are currently in draft. Company finance directors and comptrollers have been invited to comment on the draft rules, and these comments will be considered by the Rules committee at the end of this month. The new rules, which will include marks for pension fund reporting on the lines set out below (unless modified in the light of readers' comment), will be published in the *FM* during December.

The present intention is to award, or deduct, four marks (out of a possible 100) for reporting in the pension fund area. It is a relatively small marking, but it will certainly suffice to help sort out the good from the very good reporters; Protea Holdings won this year's Award with 97%.

The new Accounts Award rules on pension fund reporting could well lead to a major breakthrough in the attitudes of the business and accountancy communities towards the treatment of pension funds in company reports.

Five heads are envisaged:

- No mention is made of the existence, or otherwise, of a company pension fund (this, at present, is the majority case) — 0 marks.
- Total assets of the fund are given, as Rxm — 1 mark.

Assets not applicable as the fund is insured or managed by an insurance company — 1 mark.

- Some information is given as to the cost of the fund to the company. Eg, "the company contributes 7% of wages and salaries to the fund" — 1 mark.
- Some information is given regarding the liability, or otherwise, of the company to the fund. "At a (recent) actuarial valuation, the fund was shown to be completely sound," or "The effect of transferability of pensions will be that the company will have to contribute Rx to the fund over the next Y years' —1 mark.
- Any additional information — 1 mark.

Under this head, one will look for information concerning the number of members, whether or not all races rank equally in the fund, changes in policy and/or benefits regarding the fund, and so on.

So as not to penalise the occasional company which, in this enlightened day and age, has no pension fund — the Accounts Award is, after all, concerned with company reporting only, not social or moral responsibility — lack of a pension fund will be "worth" 4 marks.

Preliminary discussions have indicated that these new rules will be welcomed, especially by analysts and merchant bankers.

So far as analysts are concerned, the fact that the market value of a pension fund can, and frequently does, exceed the market capitalisation of the company itself is only of passing interest, as pension funds assets are, by law, held separate from those of the company, and cannot be used on or for company affairs. (They can, however, be used to buy the company's shares, or to support projects in which the board, or the trustees, are interested. And, more importantly, management of pension fund assets can be used as a lever to secure loans.)

For the analyst, the big area of interest is the cost, and the potential cost, of the fund to the company. Commonly, funds cost companies 6,5% and upwards to 10% or even 15% of the total wage and salary bill — a cost which frequently exceeds the total cost of dividends. And subvention on a large scale, such as could occur in the event of any error (or, for a fund currently on a less than solid basis, when transferability becomes law) could shake the very financial foundations of the company itself.

For the merchant banker, there is another aspect. Fund benefits vary widely, and, of course, are rarely if ever published as things stand. But such differentials can have major impact in a merger situation, where it can conceivably cost wholly unexpected millions to bring up the scale of benefits of one of the merger companies to that of the other — as obviously has to be done over time.

It is a big subject, and this article has merely sketched in the outlines. The new Accounts Award rules could well lead to a major breakthrough in the attitudes of the business and accountancy communities towards the treatment of pension funds in company reports.

Magistrate denies theft of pensioners' money

UMTATA — A former Tsolo magistrate now on transfer in Elliotdale appeared in the regional court here on two counts of theft involving R2 575 belonging to pensioners.

Appearing before Mr T. A. Moll was Mr Benjamin Zongo. According to the charge sheet he stole R2 515 on July 11 last year and R60 on July 19, 1977. He pleaded not guilty.

An alternative charge is that he unlawfully and negligently lost or caused general deficiency in government moneys — to wit R2 515 in cash or cheque.

Evidence was that Mr Zongo took over from a junior official, Mr B. Senge, after he (Mr Zongo) returned from leave. Money and books were allegedly handed over to Mr Zongo.

Under cross-examination, Mr Zongo told the court he accepted the handover from Mr Senge by word of mouth. He said he did not check the money immediately as he was pressurised by work.

Mr Zongo said he forgot to ask Mr Senge to sign a receipt indicating how much money Mr Senge had handed over.

Mr Zongo said Mr Senge could have taken the money and he could not rule out the possibility that either office cleaners or police constables could have taken it.

Mr Zongo claimed there were other people in the office when the money was handed over to him by Mr Senge. He checked the money only days after it had been handed over to him by Mr Senge and it was then he discovered the shortage.

Mr Peter A. C. Rowan, for the state, said it appeared Mr Zongo took advantage because there was no certificate to indicate how much he took over from Mr Senge.

On the alternative charge, Mr Rowan said Mr Zongo negligently performed his duties.

For the defence, Mr P. Renene said there was no certainty as when the money was lost. Therefore Mr Zongo was entitled to the benefit of the doubt.

The case was remanded for judgment.

Mr Shadrack Sinaba . . . brain behind an old-age home.

East Rand to get an old-age home

By MZIKAYISE EDOM

AN old-age home is to be built in Daveyton, Benoni.

This was announced yesterday by Mr Shadrack Sinaba, who is behind the project.

Mr Sinaba is also the leader of the Daveyton "Phumlamqashi" squatters and a member of the Daveyton Community Council.

He said funds to build the home would come from the Government and the community.

He also disclosed that the council had promised a site for the home.

So far he had collected 25 names of old people as residents.

"We need about 100 names before we can start building. I am appealing to all old people to come forward to register. They can do so by going to any councillor in Daveyton and Wattville," Mr Sinaba said. They could also register with the social workers at the Lionel Kent Centre during the day.

Mr Sinaba said the home would cater for Daveyton and Wattville old people.

Hot meal for lucky 450

Four - hundred - and fifty old-age pensioners will soon be able to buy a hot meal each day from a Soweto based Meals on Wheels for 5 cents.

The scheme, which is run by the Methodist Church, has been carefully planned to assist some of the most needy of Soweto's 20 000 old people struggling to exist on their meagre pensions.

The scheme is aimed not only at helping old people stretch their budget, but particularly at bridging the communications gap between the lonely old who often spend days on end on their own.

Mr John Rees, one of the originators of the scheme spent two years doing research to ensure that once it was started it would not fail.

"Once the scheme has been launched we will cannot let it fail. It will have raised hope and anticipation in so many of Soweto's aged that we just could not let them down," he said.

Mr Rees explained that it would be a self-help scheme run from a main depot in Soweto — probably in Jabavu.

"Because unemployment is rife in Soweto 'voluntary' workers will be paid a small salary for their services to help augment their incomes and keep their homes on the go," said Mr Rees.

A vehicle with insulated containers, donated to the scheme will transport the hot meals to a number of sub-depots where the aged are invited to congregate.

Church ministers and social workers will be asked to put forward names of the most needy people in their areas who will then be issued with a plastic disc which they must produce in return for a hot meal of meat, a vegetable and samp or rice. A hot drink will be included — all for 5 cents.

The scheme will cost about R3 000 a month. This will include the cost of the meals, and also electricity, water and transport costs, a salary for the driver and token amounts for the helpers.

"We would really like to run a much more extensive service, but that will depend largely on additional support," said Mr Rees.

Although the scheme is being run by the Methodist Church the meals will NOT be restricted to Methodists.

Does this man deserve to eke out the last days of his life on a pension that hardly covers the cost of his basic food necessities?

300 16/11/79

Xmas treat for elderly

EAST LONDON — All blacks in the Border, Ciskei and Transkei receiving old age or disability pensions received a R18 Christmas bonus this week.

Old age pensioners have also had their pensions increased by R3,75 this quarter. There was no increase for the disabled, but they did get the R18 bonus.

The news of the bonanza Xmas treat was met with mixed feelings. Disabled people felt they too should have received the extra R3,75 a quarter. Old age pensioners are jubilant, however.

The disabled said some of them had young children to bring up and educate, while the old age pensioners have grown up children who should help to support them.

Aged people were given rent free houses, while some disabled people who owned houses had to pay rents which had been increased in the Ciskei and other homelands.

Mrs E. F. Nzuzo, 68, of zone four, said she was happy her pension grant had been increased. She was struggling to pay the R7 a month rent for her two-roomed house.

Blind, Mr Zoyisile Jackson Gqamlana, 61, who gets disability grant of R45 a quarter, said the R3,75 would have helped all disabled people. He lost his first eye while he was a young boy and his second eye had to be removed in 1963.

Mr Gqamlana said he had a wife, Nolungile, who was not getting a pension grant, and seven other mouths to feed. Mr Gqamlana said he had energy to work but could not do so because he was blind.

Mr Richard Mnyamezeli Mcingwana, 45, a father of five children, said he would request the government to give disabled people the additional R3,75 because they had families to support.

He injured his left hand at work in 1960 and the arm had to be amputated. He is getting a R47,50 disablity grant quarterly. He is married with three children and the youngest is 24 days old. His wife does casual jobs in the city.

Mr Mcingwana said there was no need to give aged people extra money. They could get help from their self-supporting children. — DDR

Having to make do on R27,50 a month (or, the pensioner's fight against impossible odds...)

Africa's 193 700 black aged went up by 15 percent at the beginning of October — from R23,75 to R27,50 a month — but the old people's future is still desperate.

With the threat of increased rents in Soweto hanging over their heads and the ever-increasing cost of basic necessities, life on R27,50 a month must be a struggle against impossible odds.

"Unless black old age pensioners receive support from their families it is impossible for them to maintain even a reasonable standard of living," said Mrs Ina Pearlman, regional secretary for the South African Institute of Race Relations.

Figures taken from a publication done for the Institute for Planning and Research at the University of Port Elizabeth indicate that:

- A minimum of about R20 a month is necessary for an old age pensioner's food budget in the Johannesburg area.
- The average monthly rent for blacks in the Johannesburg area is R18.
- Minimum clothing costs for an adult for a year is about R77. This may be slightly reduced for old age pensioners.

This means that every month an elderly black person needs about R40 a month merely to exist.

Pensioners are not given any reduction in their rents by the West Rand Administration Board, but according to Mr Nico Malan, the board's housing director, pensioners' arrears are often written off.

The State pays every black pensioner R55 every two months. This came to a total of R60-million for the last financial year. For the period July/August 1979 pensions totalled R2,9-million in the Pretoria - Witwaters - rand-Vereeniging area alone.

Impressive figures.

But not so impressive for the more than 20 000 pensioners who live in Soweto.

"And don't let anyone tell you they are 'quite all right, thank you' because their families will take care of them," Mrs Pearlman said.

"The extended family system does not apply to all black families any longer. In fact I have heard of cases where families have tried to get the house taken away from their old mother or father."

Another problem old people face is that pensions are paid out every two months.

"The money is so often spent on immediate debts and very little is left over for the second month.

There are very few concessions available to the black aged.

A spokesman for South African Railways said pensioners did not receive travel concessions unless they were ex-employees. Putco does not give concession to old age pensioners either, but does transport old people home from pension pay-out points.

"This is one way of protecting the old people from muggers when they have all that money on them," a Putco spokesman said.

Is this what a man who has given all his working life to the economy of his country is reduced to when he is too old to work?

Minimum diet and the cost

This table shows:

- Minimum diet in grams for an adult female between 19 and 50 years old based on a 30-day month. For an older person, male or female, the requirements are very much the same with slightly less starches and fats required.
- The cost per item per month for a 30-day month.
- The quantity and cost of a purchaseable unit.
- Food quantities are based on a chart from a Department of Health publication "Daily Food Rations for Adults and Children," September 1975.
- It is not possible to calculate fruit and vegetable prices accurately because of seasonal fluctuations.

Foodstuff	Quantity needed	Cost	Purchaseable unit	
Skimmed milk powder	1 200 g	R2,45	250 g	R0,51
Fish (tinned)	750 g	R1,20	155 g	R0,25
Meat/chicken	750 g	R0,90	optional	—
Eggs	240 g	R0,22	half dozen	R0,32
Cheese	210 g	R0,62	optional	—
Dried beans/peas	1 650 g	R1,32	500 g	R0,40
Fresh vegetables/fruit	10 050 g	—	—	—
Margarine	600 g	R0,96	250 g	R0,40
Oil	300 ml	R0,37	750 g	R0,96
Brown bread	5 400 g	R1,87	1 loaf	R0,17
Mealie meal, samp etc	5 100 g	R7,26	1 kg	R1,42
Sugar/jam	900 g	R0,39	250 g	R0,11,5
Coffee/tea	210 g	R1,49	20 g (tea)	R0,14
Salt	450 g	R0,13	500 g	R0,13
TOTAL		R19,18		

What pensioners have to put up with...

Tsepo Hall in Tembisa burst into life as a GG car approached and stopped just outside the door. An old woman tottered and nearly tripped over her walking stick. A few people came to her rescue. She waved her hand as a sign of gratitude. She was blind and, like the hundreds of peopl earound her, she had been standing in the blazing sun for more than four hours, waiting for her pension. MATHILDA MASIPA reports...

A FEW HOURS earlier on my way to Tsepo Hall I had met an old woman who had introduced herself as MaMnyembe. Although she walked with difficulty she told me she had walked from Mashemong because she had no money for a taxi. Together we waded through the mud and slippery grass still wet from the previous night's rain.

Hundreds of people were already waiting when I arrived but MaMnyembe seemed unconcerned when I remarked about the length of the queue. Occasionally she stopped to rest leaning with both hands on her walking stick.

Her grandson was already in the queue waiting for her, she explained.

I had then watched more pensioners arrive — on crutches, walking sticks, in wheelchairs — and take their place in the queue. Some had come on foot, others by taxi.

A number of people, apparently tired from standing, were sitting on the damp grass using blankets, jackets and newspapers for mats.

Pensioners who had been the first to arrive told me they had left home at 5 am. They explained that they no longer slept on the premises because each pensioner was now given a definite date on which to call for the pension, different days having been allocated to them.

But the days were still long. That's why a number of old people had brought along something to eat. Vendors were also making brisk business. Not far from me an old woman unfurled a handkerchief before beckoning to a woman selling fruits.

Now as the GG Volkswagen stopped outside the hall, there was a flurry of activity. Pensioners who had been sitting stood to stretch their limbs while those who had been standing started pushing towards the door.

The guard manning the queue didn't make things any easier. "Tshayisa, tshayisa gogo," he called indicating impatiently that the pensioners move quickly.

A few minutes after 10 am the queue started to move. Inside the hall I watched the procedure.

1. The pensioner hands his reference book to a clerk who selects a corresponding white card and hands it over with the reference book to the second clerk

2. The second clerk helps the pensioners make an impression with her thumb print on the white card, signs it, hands back the reference book to the owner and the white card to the paymaster while calling out the amount to be paid out

3. The paymaster counts and hands out the amount.

I also noticed the following:

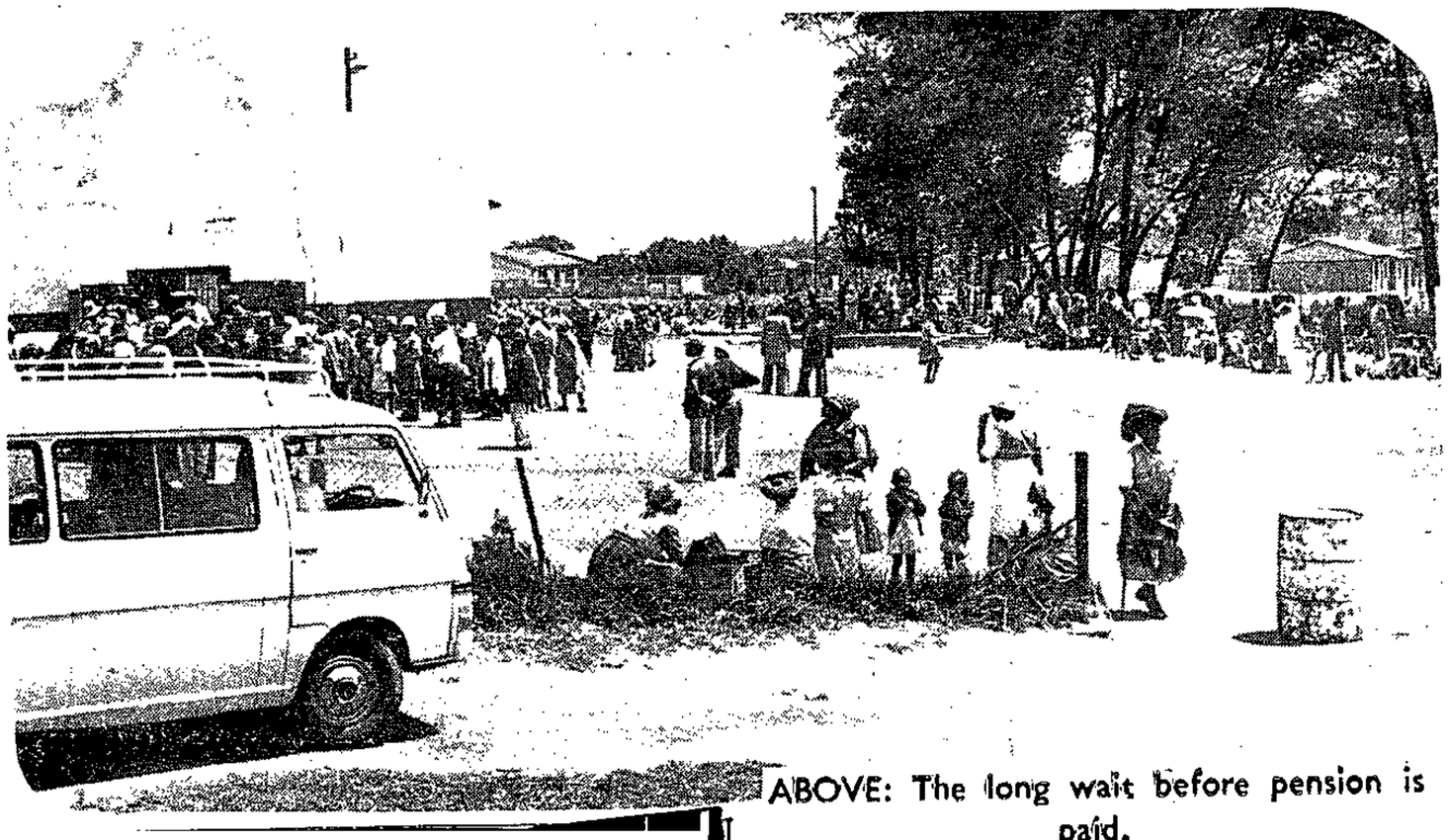
- There was no envelope or pay slip accompanying the money.
- None of the pensioners counted their money before leaving the counter. In fact a few I spoke to told me they couldn't count.
- There was no water to wash their hands afterwards. Most people had to make do with part of their clothing to wipe the ink off their thumbs.
- The pensioners had to stand for long hours because there were no chairs.

When **POST Woman** phoned Mr A J van Schalkwyk, the liaison officer for the Department of Co-operation and Development, he said he was happy to learn that the old people no longer slept on the premises but was sorry to hear there were still shortcomings at Tsepo Hall.

"I'm happy to hear that some of the problems have been resolved and would like to mention that if the community brings these shortcomings to our attention the department will attend to them," he said.

Mr van Schalkwyk stressed that the complaints or recommendations should come from the community itself through the official channels.

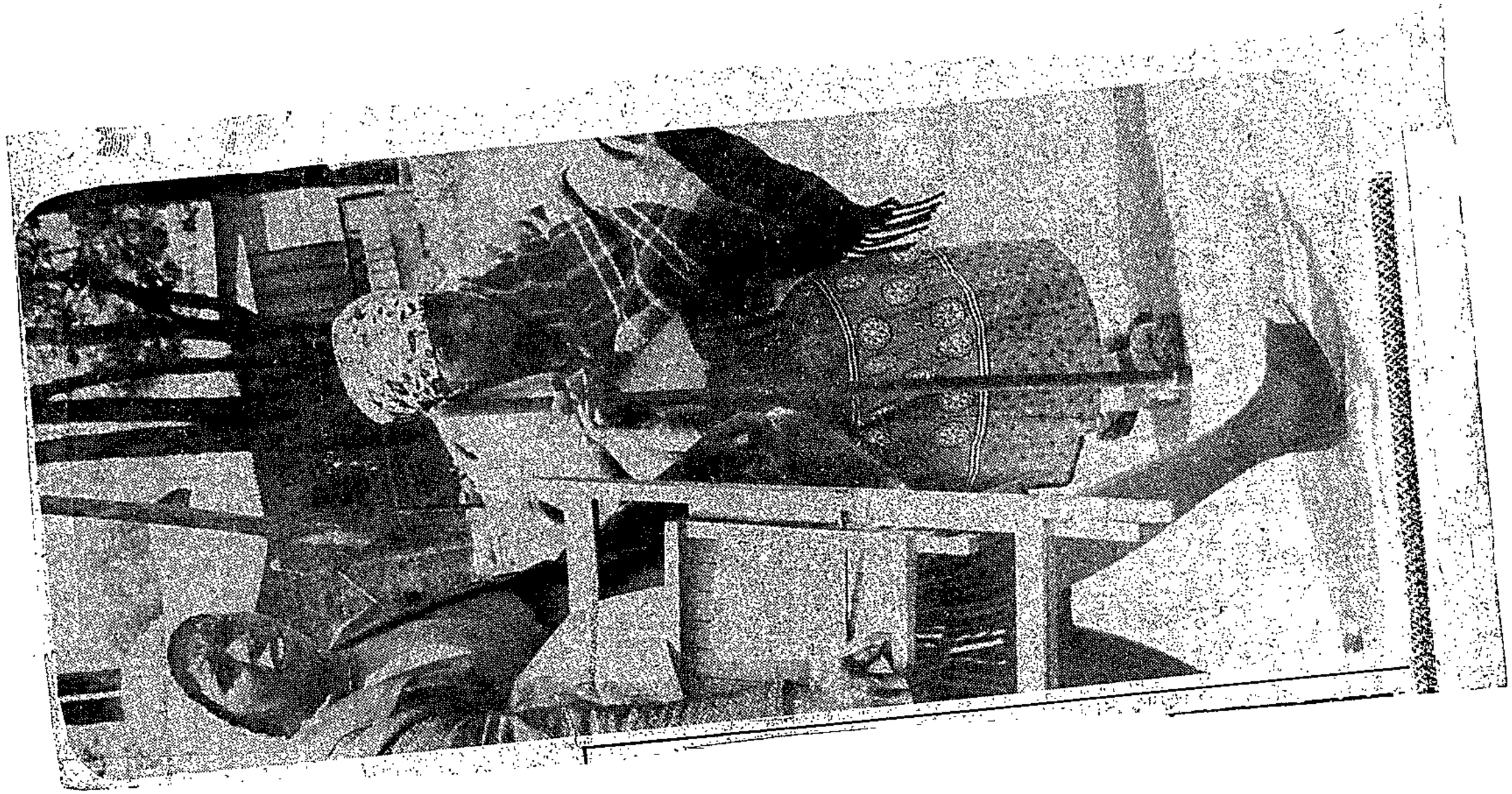
"Any organisation connected with the aged is welcome. Whoever is interested should approach the local commissioner who will refer the matter to Pretoria," he said.



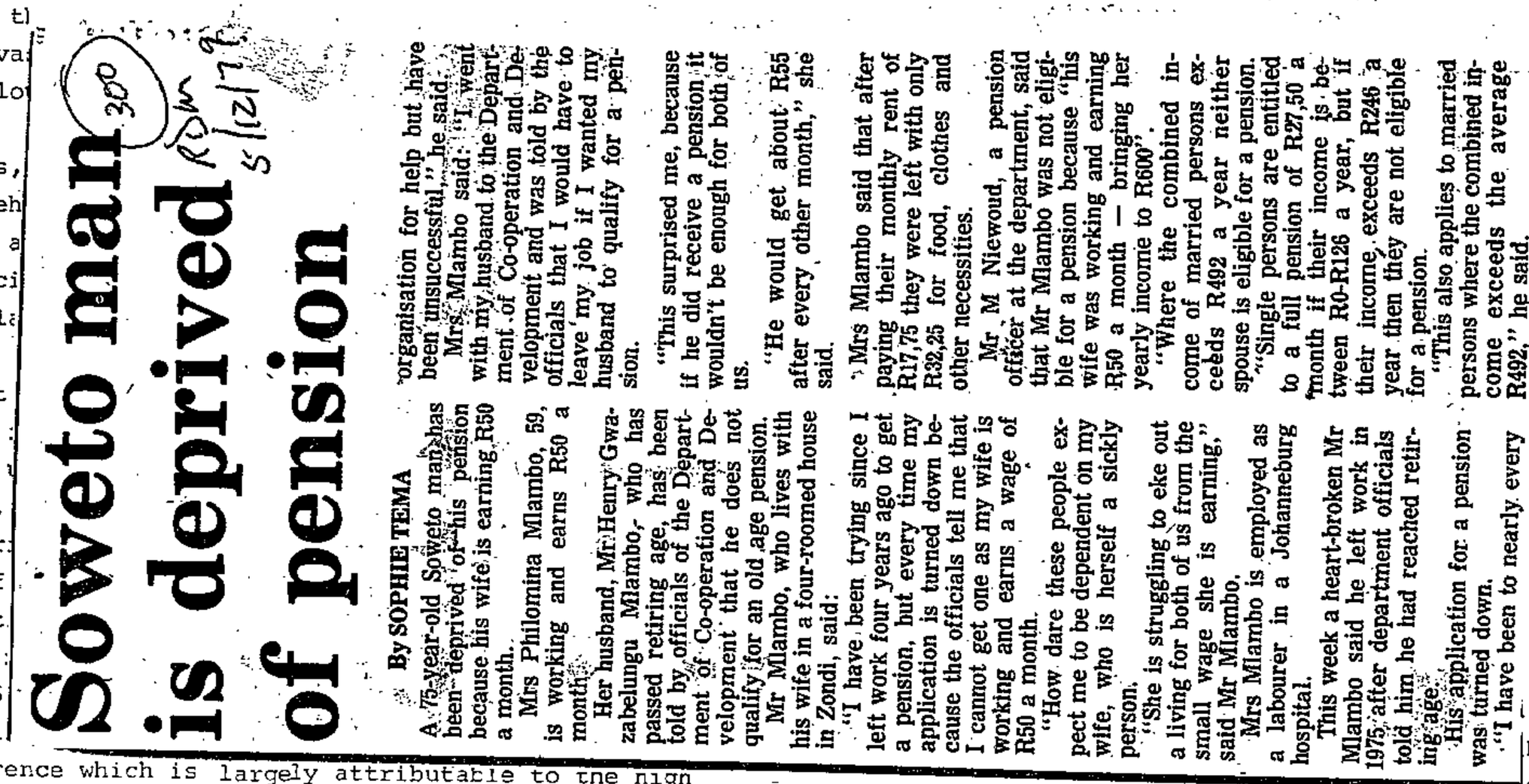
ABOVE: The long wait before pension is paid.

LEFT: Bessy Nkosi from Makhulong after receiving her pension. She is with her daughter Emeline who brought a chair along to take the weight off their feet.

Pics: Jacky Mothapo



the South African population from all causes of death. The proportional contribution of the seventeen major disease categories of the International Classification of Disease (8th revision) to the overall mortality of the various communities is summarised in Fig. 5. The whites show a typical 'developed' country spectrum of mortality with Infectious and Parasitic Diseases being of minor importance (2,0%) and Neoplasms (15,6%) and Diseases of the Circulatory system (50,5%) being of major importance. For urban Africans and 'coloureds', Infectious and Parasitic Diseases make an import-



Soweto man is deprived of pension

By SOPHIE TEMA

A 75-year-old Soweto man has been deprived of his pension because his wife is earning R50 a month.

Mrs Philomina Mlambo, 59, is working and earns R50 a month.

Her husband, Mr Henry Gwazabelungu Mlambo, who has passed retiring age, has been told by officials of the Department of Co-operation and Development that he does not qualify for an old age pension.

Mr Mlambo, who lives with his wife in a four-roomed house in Zondi, said:

"I have been trying since I left work four years ago to get a pension, but every time my application is turned down because the officials tell me that I cannot get one as my wife is working and earns a wage of R50 a month.

"How dare these people expect me to be dependent on my wife, who is herself a sickly person.

"She is struggling to eke out a living for both of us from the small wage she is earning," said Mr Mlambo.

Mrs Mlambo is employed as a labourer in a Johannesburg hospital.

This week a heart-broken Mr Mlambo said he left work in 1975 after department officials told him he had reached retiring age.

His application for a pension was turned down.

"I have been to nearly every organisation for help but have been unsuccessful," he said.

Mrs Mlambo said: "I went with my husband to the Department of Co-operation and Development and was told by the officials that I would have to leave my job if I wanted my husband to qualify for a pension.

"This surprised me, because if he did receive a pension it wouldn't be enough for both of us.

"He would get about R55 after every other month," she said.

Mrs Mlambo said that after paying their monthly rent of R17,75 they were left with only R32,25 for food, clothes and other necessities.

Mr M Niewoud, a pension officer at the department, said that Mr Mlambo was not eligible for a pension because "his wife was working and earning R50 a month — bringing her yearly income to R600".

"Where the combined income of married persons exceeds R492 a year neither spouse is eligible for a pension.

"Single persons are entitled to a full pension of R27,50 a month if their income is between R0-R126 a year, but if their income exceeds R246 a year then they are not eligible for a pension.

"This also applies to married persons where the combined income exceeds the average R492," he said.

Africans, on the other.

rtality data as proportion. Table I the form of cause sex, in the white, Asian

the proportional mortal- Fig. 5), it will be proportional contribution made by circulatory diseases in the 'coloured' community, the actual rates for these diseases are higher than those of the whites. The reason for this apparent inconsistency is that the mortality rates for Infectious and Parasitic Diseases are so high that they effectively swamp the proportional mortality of the Circulatory Diseases in the 'coloured' community. In the white community, the mortality rates for most causes of death are so low, the importance of the Circulatory diseases become disproportionately exaggerated.

Mortality rates greater than 5/1 000 appear in italics in Table I. For all of these major causes of mortality, the Asian and 'coloured' mortality rates exceed those of the whites.

However, in this context, what requires emphasis is that by using the major disease classification a certain amount of detail is lost. For example, despite the fact that the overall rates for diseases of the circulatory system are comparable for whites, Asians and 'coloureds', within this broad category the mortality rates for specific diseases vary markedly. Table II provides the propor
diseases for the whites, Asi
Ischaemic Heart Disease is t
Asian communities, Cerebrova
latory Diseases in the 'colo

Similarly, if the Accidents,
in greater detail, motor veh
ity in whites, 'coloureds' a
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The expectation for life at
'coloureds' is summarised
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life for the three communit
ratios are 1:0,91:0,76 for
of 45 these are 1:0,91:0,86
The 'coloureds' are less di
males and females, a difference which is largely attributable to the high infant mortality rate in this community. It is also noteworthy that Asian females have the worst expectation of life at age 45 of the three communities, which is in marked distinction from both males and females at e_o and males at e_{45}. The fact that for the 65+ age group, Asian women have the highest mortality rates for respiratory, circulatory, digestive, genito-urinary and ill-defined causes of death (Table I) may contribute to this anomalous situation.

Fig. 7 summarises the percentage improvement in the expectation of life at birth subsequent to the total elimination of the mortality associated

FM 7/12/79

PENSION FUNDS

A good investment?

After adverse publicity last year over the investment by two pension funds — the Metal Industries Group Life Provident Fund and the Metal Industries Group Pension Fund — in the then ailing Scotts Stores, "the blanket was shaken," Seifsa president Ronnie Shaw says. Seifsa, under the directorship of Errol Drummond, acts as secretary to the funds, which have now come under criticism for a R20 000 investment in The Citizen cumulative preference shares.

Shaw says the "cruel facts" are that the funds earn a comparatively good return "even higher than some of Seifsa's own members." The decision to invest in the Citizen shares, which cannot provide any return for at least the next two years was not a political one, but was one made with the full agreement of the trustees. Four of the trustees represent trade unions in the metal and steel industry, while the other four represent the Seifsa employer body.

"But, in any case, it is rather ridiculous to complain of an investment of R20 000 when you consider the total size of the funds," Shaw says.

The Citizen prefs were issued at R1 each, carry a coupon of 10% and are convertible into ordinaries at par on March 31 1982 or 1983. The R2m public offer was part of the survival package put together for the Citizen after its acquisition by Perskor, which has already taken up 20 000 ordinary shares and will take up another 2,9m by March 31 1982. Since incorporation, the Citizen has not made a profit and is expected, Perskor directors say, to lose R1m in the 11 months to March 31 1980. It is only then that profits, hopefully, will permit dividends on the cum prefs.

Drummond says the recent resignation from Seifsa by a Johannesburg engineering firm in protest against the investment in the Citizen was an "isolated" case. "In fact, we have had numerous phone calls from members applauding the decision," Drummond says. The firm which resigned had a history of complaints over the administration of the Seifsa medical aid scheme, he says.

The queries raised by Hillbrow MP Alf Widman over the risk attached to investment, and therefore the possible infringement of the provisions in the Financial Institutions Act, would not result in Seifsa taking any legal advice on the matter, Drummond tells the *FM*. "All that we know about what Alf Widman proposes to do for obvious political reasons is what we have read in the Press."

XVI SYMPTOMS AND ILL-DEFINED CONDITIONS

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,54	2,10	1,24	7,00	6,86	19,69	19,83
1-4	0,04	0,04	0,21	0,35	0,75	0,77	2,58	2,48
5-24	0,01	0,01	0,09	0,06	0,08	0,03	0,21	0,23
25-44	0,05	0,05	0,28	0,17	0,42	0,31	0,72	0,78
45-64	0,44	0,18	1,73	1,04	1,73	1,02	3,80	3,64
65+	1,84	1,95	8,32	6,56	8,55	5,71	14,69	14,84
ALL	0,22	0,23	0,56	0,38	0,83	0,65	1,80	1,96
NO.	463	485	199	134	943	761	3765	3145

XVII ACCIDENTS, POISONINGS AND VIOLENCE (EXTERNAL CAUSE)

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,85	0,69	0,70	0,31	1,18	1,24	0,32	0,19
1-4	0,49	0,21	0,31	0,27	0,63	0,61	0,21	0,20
5-24	0,71	0,22	0,68	0,20	1,40	0,38	0,68	0,12
25-44	1,18	0,30	1,43	0,37	3,32	0,70	1,22	0,26
45-64	1,25	0,42	1,55	0,40	2,89	0,76	1,10	0,31
65+	1,26	0,71	1,34	0,91	2,19	0,90	1,02	0,53
ALL	0,95	0,33	0,95	0,29	1,91	0,56	0,89	0,20
NO.	1973	677	333	104	2175	652	1868	324

ET 11/12/26

Bonus: Pensioners express gratitude

THE government has received "quite a number" of letters from pensioners grateful for bonuses received last month, according to the Secretary for Social Welfare and Pensions, Mr J B W Meyer.

He was approached for comment yesterday on payment of the bonuses announced by the Minister of Finance, Senator Owen Horwood, in September.

Senator Horwood said that in November white pensioners would receive a R30 bonus; coloured and Asian pensioners R24, and black pensioners R18.

Mr Meyer said that there was a difference between the bonuses and increases in normal pensions announced by the Minister in Parliament earlier this year in his budget speech.

The increases, which for whites amounted to R9, came into effect on October 1. The bonuses were payable in November only.

Mr Meyer said everybody had been paid out on time and there had been no complaints.

	C		B	
	F	M	F	
	119,02	91,30	88,18	
	16,21	10,23	9,93	
	1,25	1.64	1,12	
	4,96	4,78	3,70	
	17,87	18,06	15,57	
	71,79	53,38	45,89	
	11,00	8,77	8,13	
	12847	18348	13062	

Mr Lucas Kgowe is presented with six months' salary by Mr Arthur Sneath for having worked for 40 years without missing a day

RDM 12/12/79 (209) (300) (189)

Every day for 40 years

By LEONARD NEILL

WHEN Mr Lucas Kgowe boards the train for Gaborone tonight he will carry with him a building society book showing six months' wages as a present from his employers and a record of not having missed a day's work in 40 years.

Mr Kgowe, 78, has decided that the time has come to retire. He goes home to his wife and daughter on his Botswana smallholding after having spent more than half his life working for West Rand Engineering Works in Krugersdorp.

"We have a remarkable record of long service in this company," the works director, Mr Arthur Sneath, said. "But the fact that Lucas has not been absent a single day since he joined us in 1939 is an amazing achievement."

It is the company's policy to reward its long-service employees on retirement. In Lucas's case he was given a cheque equivalent to 25 week's salary at a company function on Monday and deposited it in the building society. He will also receive a regular pension.

He assured his colleagues as he left the company yesterday he would be visiting them regularly. "They are my friends," he said. "I will miss them very much."

Govt acts on the old-age pensions

RDM
14/12/79
300

Pretoria Bureau

THE Minister of Social Welfare and Pensions, Dr L A P A Munnik, yesterday announced a change in the pension means test aimed at encouraging employers to step up their pension payments.

It will mean that those already receiving a Government pension on top of a private pension or benefit fund payment will be entitled to keep their full Government pension even if the private payment is raised above the qualifying limit.

They will no longer be subject to a means test review.

The move will affect about 10% of the country's 200 000 white pensioners, and an undetermined number of coloureds, blacks and Asians.

Dr Munnik said anybody receiving a Government pension on December 1, 1979, would no longer have this cancelled or reduced if they get an increase in a private pension or from a benefit fund.

He stressed that the concession applied only to those already receiving a Government pension or grant.

In the case of new applications, or applications for the reinstatement of a Government pension, the means test would still be applied.

Two examples:

● Mr A, a white, retired this year with assets of up to R9 600 and a private pension of up to R984 a year. He was therefore entitled under the means test to a minimum Government pension of R57 a month. His former employer may now increase his private pension and Mr A will still be allowed to keep his Government pension, without any further means test.

● Mr B, whose private assets and pension were slightly too high for him to get a Government pension under the means test, cannot now reapply for a Government pension without again submitting to the means test.

Dr Munnik said: "In order to encourage employers to increase private pension benefits to keep pace with the rise in the cost of living, the Government decided that these people will no longer be subject to the means test."

Mr Geoff Oldfield MP, New Republic Party spokesman on social welfare, pointed out that to qualify for Government pensions coloureds may not have a private pension of more than R41 a month, and blacks R20,50 a month.

CT 14/12/79

300

Pensions: Govt ends means test

PRETORIA. — The government had abolished the means test for social pensioners receiving such a pension on December 1 this year, the Minister of Social Welfare and Pensions, Dr L A P A Munnik, said here yesterday.

"With a view to encouraging employers to increase the pension benefits paid to former employees to enable them to keep pace with the rise in the cost of living and to prevent such increases leading to a reduction or cancellation of social pensions being received, the government has decided such increases will be disregarded in the application of the means test," Dr Munnik said.

In the case of new applications or the re-instatement of social pensions, however, the means test would still be applied with due regard to the applicant's income and assets.

The announcement means people presently drawing social pensions will not lose their benefits if their private pensions are increased by their former employers.

Social pensioners are entitled to free medical treatment as well as free bus travel and free meals in certain centres.

There are about 20 000 white social pensioners at present, costing the government about R250 million a year, as well as thousands of black social pensioners. — Sapa

No means test for pensioners

16/12/79
300 DD

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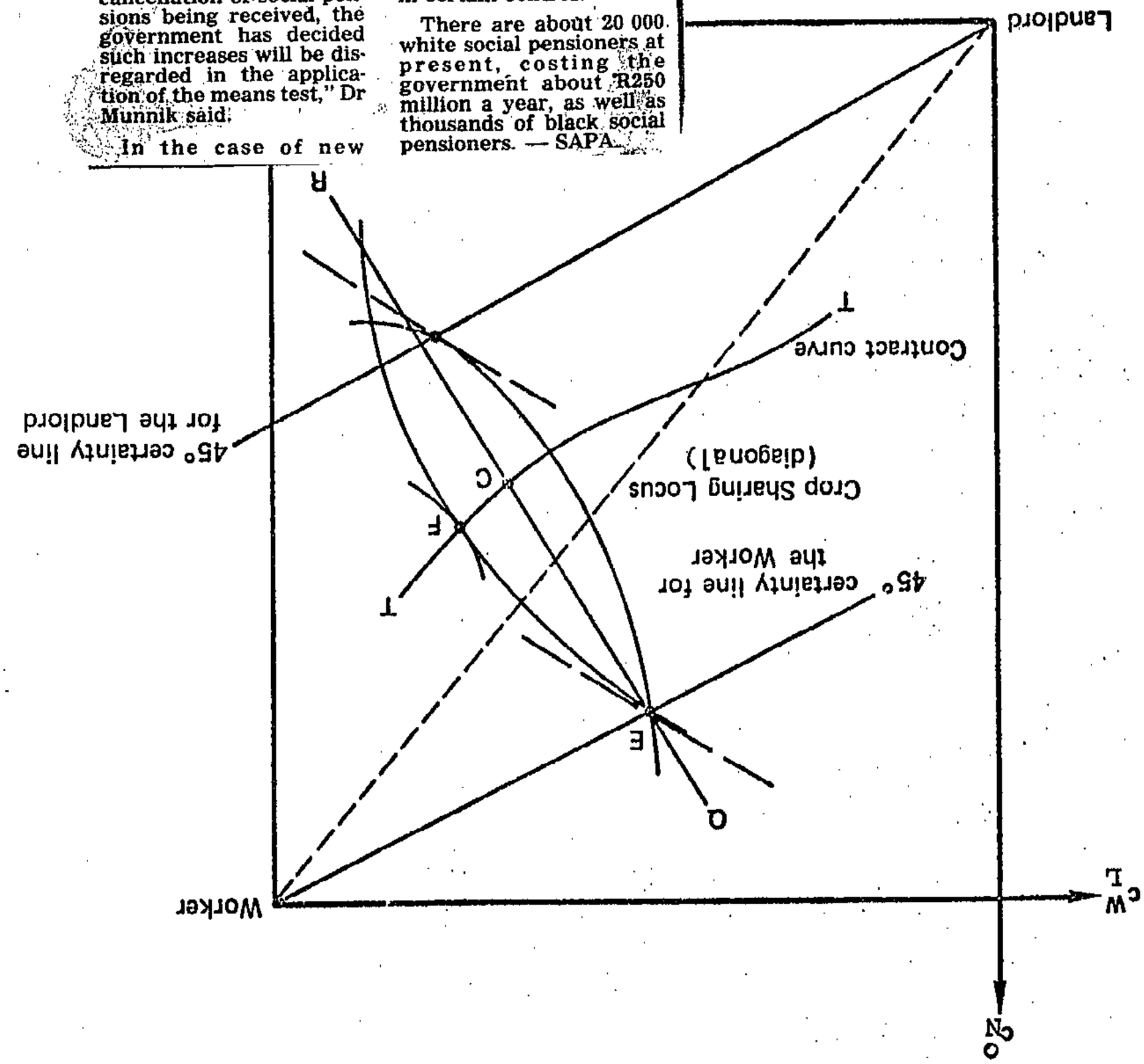
Fig. 4



rural areas or cause of deaths' according to the Bantu Reference Bureau (Personal Communication). At least 50 000 deaths among Africans were not registered. These occur mainly in the rural areas. It is estimated that about 10% of the deaths in the main urban districts are not registered for Africans.

METHODS

The following indices were calculated:

Crude Mortality Rates.

Standardised Mortality Rates. Two standard populations were used: England and Wales representing a developed population and Mexico 1960 for a developing one.

Age and Cause Specific Death Rates. Calculated mainly in five year age groups for the seventeen major divisions of the eighth revision of the International Classification of Diseases (ICD).

Proportions of Causes of Death.

Infant Mortality Rates.

Expectation of Life. Calculated for 1970, the last census year.

Competing Mortality Risks.[8] This is the mortality experience of a population under the hypothetical conditions which would exist if a particular cause of death were eliminated. It gives an indication of the relative effect of that cause on the expectation of life.

The calculation of rates involves a knowledge of the base population age specific population. No official estimates of this are available for inter-censual years. For whites, Asians and 'coloureds, the 1970 population has been projected forward using the age specific survival rates from 1970 and taking into account the actual births and deaths in the 0-4 age group. Allowance was made for migration.

For Africans, a different procedure was adopted as a population figure for only part of the country was required. The 1970 age distribution[10] by magisterial district was used, the numbers being adjusted by the 1974 gross population estimates by economic region.[11]

DISCUSSION

The crude death rates and the standardised mortality rates for whites, Asians and 'coloureds' and urban Africans are presented in Fig. 1. The interpretation of these figures is confounded by the differences in the underlying structure of the population. The population pyramids of

revise
ension
test
Call to
1972 pe
means te

By GRAHAM BROWN

OPPOSITION spokesmen called yesterday for an urgent revision of the pension means test to meet inflation that has doubled the cost of living since the test was last revised seven years ago.

They welcomed Thursday's announcement by the Minister of Social Welfare and Pensions, Dr L A P A Munnik, that pensioners presently receiving a social pension as well as a private pension above the qualifying limit could keep their full social pension.

But they said the concession did nothing to help pensioners who had previously had their social pensions withdrawn, and others who would in future be refused the pension because their private pension exceeded the qualifying limit.

Mr Geoff Oldfield, the New Republic Party's chief spokesman on pensions, said single people in these two groups still lost their minimum social pensions of R57 a month as soon as their private pensions exceeded R82 a month.

"That means that if a private pension goes up to R83 a month, they are R83 a month worse off.

The equivalent limit for coloureds and Indians is R41 a month, and for blacks R20,50.

Mr Oldfield, who has been fighting for a better deal for pensioners for the last 21 years, said:

"The means test ratio is increasingly unrealistic. An overall review of the test to relax the limits is urgently needed."

The Progressive Federal Party spokesman for Yeoville, Mr Harry Schwarz, said the new concession was welcome, but "doesn't appear to have been done in a practical way".

"The means test cannot be allowed to continue in this form. Inflation has doubled the cost of living since it was last revised.

"To rely on a 1972 test is completely unjust."

He said urgent action was needed to help those pensioners who had made every possible provision for their old age, but were seeing their income from investments cut by a third as interest rates dropped by more than 25% over the last 18 months.

"Pensioners in my constituency come to me with their hardships every day," he said.

The MPC and city councillor for Hillbrow, Mr Simon Chilchik, said Mr Munnik had dealt with only a "tiny aspect of the pension problem", and had done nothing to improve the "mass of social pensioners living on a meagre R98 a month.

"His concession merely highlights the urgent need for the Government to appoint a commission of inquiry.

Mr Chilchik has long pleaded for such a commission.

"Until the State does this, they'll never get to grips with the problem," he said.

observed with decreasing urbanisation, the [illegible] areas being of the same magnitude as those parts of the world devoid of medical services. Fig. 4 summarises the age specific mortality rates of

S. Times 16/12/79 (SOUTH)

CANCELLED INSURANCE COULD COST OLD FOLK THOUSANDS

Christmas looks bleak for Air Force pensioners

HUNDREDS of South African Air Force pensioners face a bleak Christmas and the loss of thousands of rands in hard-earned savings.

Their wives face a dark future without the security promised by the "lifelong" SAAF group life-insurance scheme which would have helped them eke out their small widows' pension.

The scheme, funded by Sanlam, has been summarily cancelled by the Air Force from December 31 and members' contributions, which could amount to nearly R2-million, will not be re-funded.

No cover

Today 638 SAAF pensioners, from generals down, face the fact that they will no longer have the R12 000 life-insurance cover for which they have paid for the last 21 years.

Instead Sanlam has "offered" them ordinary life-insurance cover at ordinary rates which for men over 60 will mean premiums of anything between R60 to R148 a month.

"As pensioners we cannot pay these premiums," a retired colonel said this week. "In some cases monthly contributions will amount to half our pension."

The realisation that their hard-earned life insurance was about to disappear came at the end of November in a circular from Lieutenant-General Bob Rogers, the former chief of the Air Force.

"For an old man without means, who might be suffering from a serious illness, that letter could be an open invitation for him to end his life before the New Year — and thus leave his wife with some security," an embittered retired senior officer said.

The reason given for the cancellation of the scheme was the recent establishment of a new group insurance scheme for all members of the Permanent Force, national servicemen, citizen force and commandos.

The new scheme, however, provides cover only for serving members — pensioners are not included.

Unlike the SAAF Fund scheme, cover will fall away the moment the member quits the force.

The main reason given by Gen Rogers for the cancellation of the old scheme was that it was "dependent for its existence on a regular influx of new and young members", which had fallen off when the new scheme was introduced.

"Your attention is drawn to the fact that contributions which members have thus far made towards the Sanlam scheme will not be refunded. The position is therefore similar to car and householders' insurance."

But, say angry pensioners, a scheme which promises "lifelong" membership is not similar to car insurance. Neither have they defaulted on their

By FLEUR DE VILLIERS

premiumss which have been steadily increased by Sanlam over the years from an initial R5 to R18 and more a month.

Instead, they stand to lose about R3 000 each while Sanlam could gain nearly R2-million in the forfeited contributions.

No security

"We believed that we were providing security for our wives in the event of our death," a retired colonel said.

"We joined because we believed it would help our wives to come out on the pitifully small widows' pension.

"But now we realise we've been living in a fool's paradise."

A 77-year-old retired colonel who had been paying R18 a month for his cover, will now pay R148 a month — or half his pension — to give his wife the same security, if he takes up Sanlam's "offer of conversion to an ordinary policy at public rates".

A retired general in his 60s will have to pay R60 instead of the R19 he is currently paying.

The only concession Sanlam has made is that the members will be able to take out ordinary life insurance without the usual medical examination.

The premiums however, will be based on their present age and not on the age they were when they joined the scheme.

"We don't begrudge the serving members the better cover they can get under the new scheme — R20 000 for R6 monthly premiums. But there was obviously a trade-off between the old and new schemes — and the old people, the pensioners, have just been brushed aside. It is morally wrong."

Now the pensioners are demanding that they be accommodated in some substitute scheme, instead of being asked to pay public rates which are loaded because of their age — or at the very least that their contributions be refunded.

A meeting of pensioners in Pretoria this week agreed that the 638 men affected by the cancellation of the scheme should be reinsured at the public rates applicable 21 years ago, to "compensate them for the raw deal they were getting from the SAAF who had wanted the new scheme and had disregarded their interests".

Sanlam and the SAAF were probably acting legally within their rights, but the decision reflected badly on the Defence Force.

A Sanlam spokesmen, Mr G Kotze, however told a pensioner this week that the company had lost on the scheme and could not repeat the process.

A Defence Force spokesman said the same position had arisen some years ago when the Army had cancelled its group insurance scheme. It had simply been "not worth the trouble" to the SAAF to continue with the old scheme

th selected major categories of disease. Clearly, this is an entirely
'pothetical situation. However, these competing risks life tables not
ly provide an indication of the relative importance of various disease
tegories to both the overall mortality experience and also to expecta-
on of life of the three communities, but also, since there is an appro-
mately linear relationship between the reduction of mortality and the
rcentage increase in life expectancy, any improvement will give rise to
proportional improvement in the expectation of life. Thus, if the
portality associated with any of the diseases included in Fig. 6 are re-
ced by 50%, then the increase in the expectation of life will be 50%
the improvements indicated.

th the exception of Neoplastic Diseases and Diseases of the Circulatory
stem in men, the 'coloured' community stand to gain most from measures
ected at the control of any of the selected diseases included in Fig.6.
particular importance are the Infectious and Parasitic Diseases,
eases which are frequently amenable to the implementation of relatively
ple methods of prevention.

KNOWLEDGEMENT

writers wish to thank the Board of the Colonial Mutual Life
urance Society for their generous financial assistance.

Rate rebate scheme for elderly to continue

CT 21/12/79

Staff Reporter.

IN 1978 about 1 850 elderly people with gross incomes of R300 or less a month benefited from the Cape Town City Council's rate-rebate scheme.

This scheme will operate again in 1980 and it is hoped to help still more elderly ratepayers who are finding it difficult to meet their financial commitments.

To qualify for a rebate a ratepayer must occupy the property concerned and be 60 or over if a woman and 65 or over if a man. His or her total income, including that of the spouse, must not exceed R300 a month.

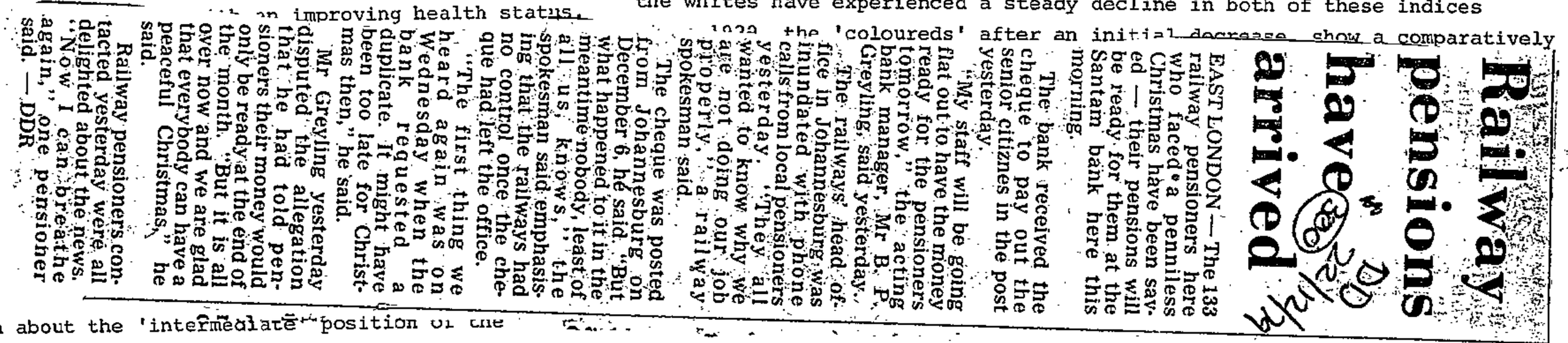
If the total income is not more than R200 a month, the rebate is 30 percent; if it is over R200 but not more than R300 a month, the rebate is 20 percent.

Inquiries about the scheme should be directed to the rates rebate section of his department, ☎ 210-3970.

by 1970, this figure had decreased to 15,7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15,2% to 7,1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality experience of the white, 'coloured' and African communities.

During the period 1929 to 1970, the whites have shown a changing spectrum of mortality which is classic
Infectious diseases have becc
are increasingly related to (
'coloureds' and Africans, ho
deaths caused by infectious
mortality which is character
whilst the 'coloureds' appe
whites and Africans, althou
Africans than it is to the


improving health status.
Railway pensioners con
tacted yesterday were all
delighted about the news.
"Now I can breathe
again," one pensioner
said. — DDR

What is of particular concern about the 'intermediate' position of the 'coloureds' is that it would appear to incorporate the worst of both the developed and the developing experiences. This becomes apparent from Table II which provides a more detailed analysis of the different diseases contributing to the overall mortality of the whites and 'coloureds' in the form of cause specific mortality rates for defined age groups. Thus, although cardiovascular diseases are consistently responsible for a fairly small proportion of the overall mortality of the 'coloureds', Table I indicates that the actual rates for cardiovascular diseases have been fairly similar for both whites and 'coloureds' since 1941.

Clearly, the broad diagnostic categories used in this analysis conceal a certain amount of information. However, because of the changes in disease classification which have taken place since 1929, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 5/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

(iv) Proportional Mortality, accounted for by specific conditions.

(v) Expectation of Life. This was calculated both at birth (e_o) and at 45 years of age (e_{45}) for both males and females. It expresses the average number of additional years an individual would be expected to live beyond birth and 45 years.

For Africans, the proportional mortality was the only index calculated.

RESULTS

The infant mortality rates (IMR) and standardised mortality rates (SMR) for whites and 'coloureds' are provided in Fig. 2 and Fig. 3. Whilst the whites have experienced a steady decline in both of these indices the 'coloureds' after an initial decrease show a comparatively

Railway pensioners have arrived
EAST LONDON — The 133 railway pensioners here who faced a pennil Christmas have been s ed — their pensions be ready for them at Santam bank here t morning.
The bank received the cheque to pay out senior citizens in the p yesterday.
"My staff will be go flat out to have the mon ready for the pension tomorrow," the acti bank manager, Mr B. P. Greyling, said yesterda
The railways' head office in Johannesburg w inundated with pho calls from local pensione yesterday. "They all wanted to know why we are not doing our j properly," a railway spokesman said.
The cheque was post from Johannesburg on December 6, he said. "B what happened to it in t meantime nobody, least all us, knows," th spokesman said emphasi ing that the railways ha no control once the ch que had left the office.
"The first thing w heard again was o Wednesday when th bank requested duplicate. It might hav been too late for Chris mas then," he said.
Mr Greyling yesterda disputed the allegation that he had told pen sioners their money would only be ready at the end o the month. "But it is al over now and we are glad that everybody can have a peaceful Christmas," he said.

The age specific mortality rates are summarised in Fig. 4. Since death is inevitable, it is to be expected that decreases in the mortality experience of younger age groups will give rise to a corresponding increase in mortality amongst elderly persons. Thus, although it is to be expected that for both whites and 'coloureds' the mortality rates for persons over the age of 65 years have shown a rising trend, it is of some concern that the mortality rates have also increased between 1960 and 1970 for 'coloureds' in the 25-44 and 45-64 years age groups.

The imbalance between the age specific mortality rates of whites and 'coloureds' has improved or remained constant for persons between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 28,0% of the mortality of 'coloured' children;

300

PENSION SHOCK FOR 638 AIR FORCE VETERANS

Last week's headline

HUNDREDS

NOW THE SAILORS LOSE COVER

By ISOBEL SHEPHERD-SMITH

MORE THAN 100 naval pensioners have lost their life insurance policies now the Defence Force has combined the armed forces under one insurance scheme.

Already 638 air force veterans have had their policies cancelled by Sanlam.

The naval pensioners were given the same reasons as the airmen for the closure of the scheme.

The continued existence of their group scheme depended on new recruits, but the Defence Force group scheme was so much cheaper that the navy's scheme had to fall away.

Captain John Mallory of East London is bitterly disappointed. He expected insurance cover up to his death.

He said: "I have put in about R2 000 over the last 20 years. If Sanlam could have given us our premiums back, it would have been something. I could have reinvested it. I don't have another policy. I cannot afford the alternative offered by Sanlam. The fact that they won't be asking for proof of insurability does not mean a thing.

"I was paying R9.19 a month for my cover. Now I will have to pay about R40."

Another pensioner said even if he could afford the premiums, the cost of living might force him to drop the policy in a few years and that would be more money wasted.

"I think they have taken money from me under false pretences," he said.

The pensions manager for Sanlam's head office in Cape Town, Mr Chris Uys, said the company had been losing on the old scheme for some time.

"This scheme was meant so that contributions would cover costs and payments but it has been losing all the time. We cannot afford to carry them.

"The money was never used for the profit of Sanlam.

"The solution would have been to include pensioners in the new scheme. We tried but found it impossible. The risk factor in respect of pensioners is much higher so the policy covers active members only."

The new insurance scheme has been backed by the Government and underwritten by a consortium of insurance companies, including Sanlam.

Post 24/12/79 (300)

"I wonder what the year of the aged is supposed to mean . . ."

Picture by Vusi Zwane

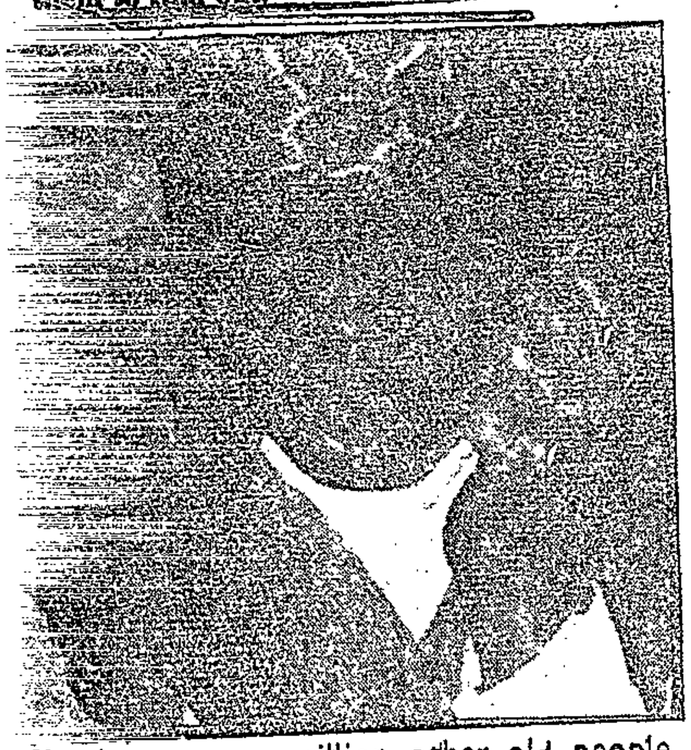
Old folks lonely misery

THE FESTIVE season has arrived and with it the irrestible urge to spend indiscriminately. But while millions of South Africans will hav more than enough to eat there'll be those who would readily wait at the foot of the cable for crumbs if they could.

To them tomorrow will be like any other day. That should not make any difference in their lives for some have lived like that for years But in the crazy materialistic world when your next-door neighbour can easily starve to death while you feed the dustbin with remnants, th people feel it.

Among these will be the aged. Like abandoned children some will be longingly looking at those who can afford but many will have an wish, to have someone to talk to.

A week from today it will be next year, 1980, the year declared the International Year of the Aged. Focus will shift from the child the senior citizen. But what is in store for the old folks? What are their aspirations, fears and hopes? MATHILDA MASIPA spoke to some them to find out.



She is among a million other old people who might wish to have things just a little bit better.

Picture by Jackie Mothapo

Josephine Ndaba, a Soweto granny in her sixties, blinked hard behind her spectacles before she answered. "Life has not been easy. I wish I could find something to cheer me up but I can't. If I were young and healthy I would work hard to give myself a little comfort just for next year. But now I am thankful if I can get as much as a slice of bread," she said.

"I used to have children — eight boys and four girls. Today I'm left with only one daughter. She is so beastly I can hardly recognise her from the sweet child she used to be. And you think I can have any hopes for next year? No my child, the year of the aged is not for people like me," she said with finality.

Linah Sithole from Mofolo South was depressed when I found her. "If I had the ability to pray I'd pray for good health. I haven't been well for years. If it's not one thing, it's another. I have been to several doctors but it hasn't helped," she said.

"I wish I knew what the year of the aged is supposed to mean," was Maria Sibeko's reaction.

"This year was supposed to be the year of the child but we didn't see much improvement as far as the rights of children are concerned. Now what right have I got to believe that next year is going to mean something special for me?" she asked cynically.

Mita Mazibuko, also from Soweto, said her wish for next year had nothing to do with the aged.

"If only our children would take life seriously and respect themselves and their elders, this would be a better world.

"May next year be the year of understanding and communication more than anything else," she said.

Frieda Machane has a two-roomed house and loving daughter who dotes on her. But her simple life is not likely to change just because next year is the year of the aged.

"I guess I'm luckier than most people. I have a shelter and someone to look after me. But now that my daughter who supports me is ill I don't know what will happen to me," she said.

Many interviewed expressed the wish to have more money so they could live decently. The bi-monthly State pension of R55 was not enough, they said.

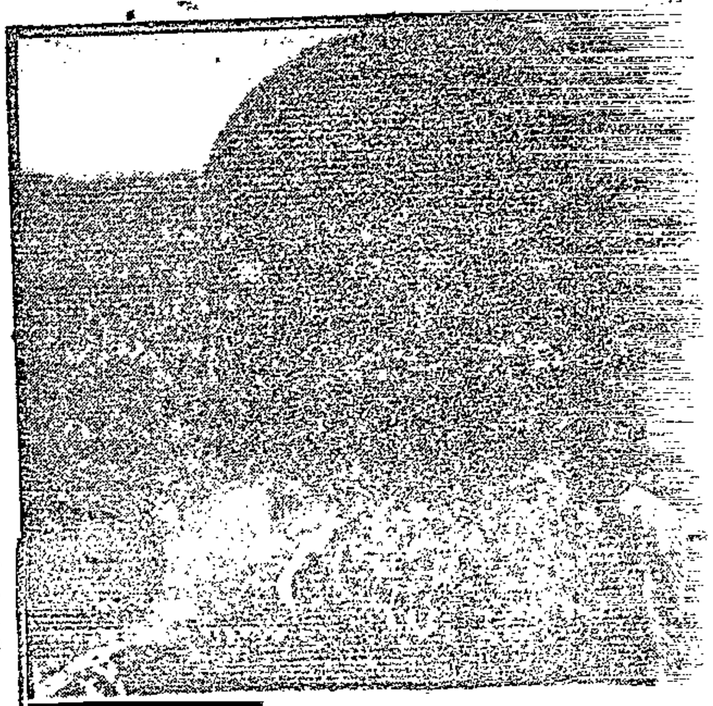
"How anyone can be expected to survive on R27,50 a month I don't know. Almost everything has gone up and shops don't sell us things any cheaper just because we are 'poor old people'," said 73-year-old Wilson Mathenjwa from Tembisa.

Granny Charlotte Maduku, an old woman with a young heart, sees next year as the year of challenges.

"This should be one year when old people should get a home. Nothing formal, just a homely atmosphere where they can have some privacy or indulge in small talk when they feel like it," she said.

And she'd only be too glad to nurse them there, she said.

Years are etched in their faces. What does the future hold for them?



DEPARTMENT OF CO-OPERATION AND DEVELOPMENT

No. R. 2854 28 December 1979

BLACK AUTHORITIES' SERVICE PENSIONS ACT, 1971

AMENDMENT OF REGULATIONS GOVERNING THE SUPERANNUATION FUND FOR PERSONS IN AUTHORITIES' SERVICE

Under and by virtue of the powers vested in me by section 5 of the Black Authorities' Service Pensions Act, 1971 (Act 6 of 1971), I, Pieter Gerhardus Jacobus Koornhof, Minister of Co-operation and Development, hereby amend the Regulations published under Government Notice R. 1954 of 29 October 1971, in accordance with the accompanying Schedule.

P. G. J. KOORNHOF, Minister of Co-operation and Development.

7 December 1979.

SCHEDULE

1. Chapter I is hereby amended by the substitution for regulation 8 (1) of the following:

"(1) With effect from 1 April 1979, there shall be paid out of revenue to the Superannuation Fund each month an amount equal to 1,63 times the aggregate amount of the current contributions paid to the said Fund by members in the same month.".

2. Regulation 1 shall be deemed to have come into operation with effect from 1 April 1979.

DEPARTEMENT VAN SAMEWERKING EN ONTWIKKELING

No. R. 2854 28 Desember

WET OP PENSIOENE VIR SWART OWERHEIDSDIENS, 1971

WYSIGING VAN REGULASIES BETREFFEN DIE SUPERANNUASIE-FONDS VIR PERSO IN OWERHEIDSDIENS

Kragtens die bevoegdheid my verleen by artik van die Wet op Pensioene vir Swart Owerheids 1971 (Wet 6 van 1971), wysig ek, Pieter Gerha Jacobus Koornhof, Minister van Samewerking en O wikkeling, hierby die regulasies afgekondig by Goe mentskennisgewing R. 1954 van 29 Oktober 1971, eenkomstig die bygaande Bylae.

P. G. J. KOORNHOF, Minister van Samewerking Ontwikkeling.

7 Desember 1979.

BYLAE

1. Hoofstuk I word hierby gewysig deur regul 8 (1) deur die volgende te vervang:

"(1) Met ingang van 1 April 1979 word daar maand uit inkomste aan die Superannuasiefonds bedrag betaal wat gelyk staan met 1,63 maal die tota bedrag van die lopende bydraes wat lede in diesel maand aan vermelde Fonds betaal het.".

2. Regulasie 1 word geag op 1 April 1979 in werk te getree het.

No. R. 2861 28 December 1979

BLACK AUTHORITIES' SERVICE PENSIONS ACT, 1971

AMENDMENT OF REGULATIONS GOVERNING THE PENSION FUND FOR PERSONS IN AUTHORITIES' SERVICE

Under and by virtue of the powers vested in me by section 5 of the Black Authorities' Service Pensions Act, 1971 (Act 6 of 1971), I, Pieter Gerhardus Jacobus Koornhof, Minister of Co-operation and Development, hereby amend the Regulations published under Government Notice R. 317 of 24 February 1978, in accordance with the accompanying Schedule.

P. G. J. KOORNHOF, Minister of Co-operation and Development.

7 December 1979.

SCHEDULE

1. Chapter I is hereby amended by the substitution for regulation 8 (1) of the following.

"(1) With effect from 1 April 1979, there shall be paid out of revenue to the pension fund each month an amount equal to 2,27 times the aggregate amount of the current contributions paid to the pension fund by members in the same month.".

2. Regulation 1 shall be deemed to have come into operation with effect from 1 April 1979.

No. R. 2861 28 Desember 1979

WET OP PENSIOENE VIR SWART OWERHEIDSDIENS, 1971

WYSIGING VAN REGULASIES BETREFFENDE DIE PENSIOENFONDS VIR PERSONE IN OWERHEIDSDIENS

Kragtens die bevoegdheid my verleen by artikel 5 van die Wet op Pensioene vir Swart Owerheidsdiens, 1971 (Wet 6 van 1971), wysig ek, Pieter Gerhardus Jacobus Koornhof, Minister van Samewerking en Ontwikkeling, hierby die regulasies afgekondig by Goewermentskennisgewing R. 317 van 24 Februarie 1978, ooreenkomstig die bygaande Bylae.

P. G. J. KOORNHOF, Minister van Samewerking en Ontwikkeling.

7 Desember 1979

BYLAE

1. Hoofstuk I word hierby gewysig deur regulasie 8 (1) deur die volgende te vervang:

"(1) Met ingang van 1 April 1979 word daar elke maand uit inkomste aan die pensioenfonds 'n bedrag betaal wat gelyk staan met 2,27 maal die totaalbedrag van die lopende bydraes wat lede in dieselfde maand aan die pensioenfonds betaal het.".

2. Regulasie 1 word geag op 1 April 1979 in werking te getree het.

SAAF pensioners' plight — PW to be approached

S. Jones 30/12/79 300

By FLEUR DE VILLIERS

THE Prime Minister and Minister of Defence, Mr P W. Botha, is to be approached on the plight of the 658 SAAF pensioners who face the loss of thousands of rands in hard-earned savings because of the summary cancellation of a group life insurance scheme.

The plight of the pensioners was first disclosed by the Sunday Times earlier this month.

Mr Harry Schwarz, MP and chief Opposition spokesman on defence, told the Sunday Times this week that he would make representations on behalf of the pensioners to the Minister of Defence and would also raise the issue in Parliament next year.

"The State, whatever the legal position may be, has a moral obligation to these people who served their country," he said.

One of the men who was being compelled to forfeit his premiums and lose his life insurance cover because of the decision by the SAAF Fund and Sanlam to cancel the scheme had served on the same squadron as himself during World War 2, Mr Schwarz said.

"Commandant 'Pips' Pidsley, a bomber pilot, was one of the bravest men in the SAAF. His successful attack on an enemy ship is acknowledged to have changed the course of the war in the Middle East.

"Today these men have to try to live on atrociously low pensions — and now they are told that without their consent their life insurance cover has been cancelled and their premiums forfeited."

The pensioners were informed of the cancellation of the scheme in a recent circular from Lieutenant-General Bob Rogers, former Chief of the Air Force.

New scheme

The main reason given for the move was the establishment of a new group insurance scheme for all serving members of the defence force — national servicemen, permanent force, citizen force and commandos.

Unlike the SAAF scheme, however, which was instituted 21 years ago and promised lifelong membership, cover under the new scheme falls away the moment the member quits the defence force.

Pensioners who have paid about R3 000 each into the old scheme which offered them R12 000 cover cannot join the new scheme.

Instead, they have been told that they can convert to an ordinary life policy at public rates, entailing an increase in premiums from R18 a month to, in some cases, R131 a month.

"We were not told that the group insurance policy could be cancelled without our consent," a former senior air force officer told the Sunday Times this week.

"We accepted in good faith that we were insured for life and did not take out other, and perhaps better, insurance.

"Now we find that we have been left without any insurance at a time when we need it most."

A Sanlam spokesman, Mr G Kotze, has revealed that the company had recommended to the SAAF that the pensioners be allowed to join the new defence force scheme.

"But the authorities concerned did not see their way clear to allow this."

A defence force spokesman has described the plight of the pensioners as "painful, but unavoidable".