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EMPLOYMENT ALERT

IN THIS ISSUE

MORE TO BENEFIT WITH THE PROPOSED AMENDMENTS TO THE UNEMPLOYMENT INSURANCE ACT

The purpose of the Unemployment Insurance Act, No 63 of 2001 (UIA) is to establish an unemployment insurance fund. Employers and employees contribute to the fund and employees who become unemployed, or their beneficiaries, can benefit from the fund. The aim is to alleviate the harmful economic and social effects of unemployment.

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Applications for unemployment insurance benefits have also been extended from 6 months to 12 months after termination of the contract of employment.



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The following important amendments are proposed in the Unemployment Insurance Amendment Bill (Amendment Bill):

- Unemployment insurance benefits have been extended to learners who are undergoing learnership programmes, and public servants. These benefits have also been extended to contributing employees who lose part of their income due to reduced working time, subject to certain requirements being met.
- Currently a contributor's entitlement to benefits accrues at a rate of one day's benefit for every completed six days of employment, subject to a maximum accrual of 238 days. The Amendment Bill seeks to increase the maximum amount of accrual days to 365, thereby increasing the benefits that can be claimed.
- Payment of maternity benefits at a rate of 66% of the earnings of the beneficiary at the date of the application, subject to the maximum income threshold set out in the UIA.
- Benefits are also extended to a beneficiary who miscarries during the third trimester or who bears a still born child. A beneficiary is however not entitled to benefits unless she is employed, whether as a contributor or not, for at least 13 weeks before applying for the maternity benefits.
- The application period for maternity benefits has been extended from 8 weeks before child birth to any time before or after child birth, provided that the application is made within a period of 12 months after the date of child birth.
- Applications for unemployment insurance benefits have also been extended from 6 months to 12 months after termination of the contract of employment.
- In terms of the UIA a contributor can claim illness benefits if the contributor is unable to work, subject to the prescribed requirements. A contributor however is not entitled to claim this benefit if the period of illness is less than 14 days. A minimum period of 7 days has now been proposed.

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CONTINUED

The proposed amendments, if enacted will not only provide more benefits to both employed and unemployed workers but also extended application periods to apply for such benefits.

- Dependants may apply for benefits on behalf of deceased relatives within 18 months of the death of the contributor. These contributors may also nominate beneficiaries in relation to death benefits.

The proposed amendments, if enacted will not only provide more benefits to both employed and unemployed workers but also extended application periods to apply for such benefits. This may assist in alleviating the harmful economic and social effects of unemployment.

*Mohsina Chenia
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