



UNEMPLOYMENT INSURANCE FUND

SAPA CONFERENCE

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Acting Chief Information Officer

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- **High Level Overview of UIF framework.**
- UIF in practice
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Supreme Mandate

- The right to social benefits is entrenched in the **constitution** of the country. The UI act places the **responsibility on the employers** to actually register with the Fund and make deductions from their employees, and pay these to the Fund. The act even goes further to provide that should an employer fail to execute their obligations, this **does not take away the contributors** right to benefits. The contributors have a supreme right to benefits as entrenched in section 12 (1) of the act.

Who is a contributor

- Any worker working for more than 24 hours per month.
- With effect from 01 April 2003 **domestic** and **seasonal** workers were included as well.
- The following are **exclusions**:-
 - Learner that are **under a learnership contract** only.
 - Public servants, in **National Departments**.
 - Persons who enter RSA for the purpose of contract work, apprenticeship, and who have to be repatriated on completion.
 - Persons whose remuneration consists of **commission** only.

CALCULATION OF CREDITS

For every completed 6 days of employment as a contributor the contributor is entitled to 1 days benefit.

Total days worked /6 = "x" * 1

$366/6 = 61$



$61*1= 61$ days benefit for each year completed as a contributor. The person has to work 3.90 years to get 238 days benefit.

A contributor can only accumulate a maximum credit of 238 days in any four year period preceding the date of application for benefits, less any days benefit received during this period.

What's required

- Prescribed application form
- Proof of banking details from 01112005 ui 2.8
- Valid 13 digit RSA id
- Illness benefits – medical certificate
- Maternity – medical certificate
- Adoption – adoption order and birth cert. of child
- Death benefits – proof of dependence

INFORMATION TO BE SUPPLIED BY THE EMPLOYER

56(1) 	Every employer must on commencement of its activities as an employer provide the UIC with information regarding its employees, irrespective of the earnings of these employees.
56(2)	The information to be furnished must include:-
56(2)a	The street address of the business and any of its branches
56(2)b	If the employer is not a resident in the Republic or is a body corporate not registered in the Republic, the particulars of the authorised person who is required to carry out the duties of the employer in terms of this act must be included;
56(2)c	The names, the identification numbers and monthly remuneration of each of its employees, and must state the address at which the employee is employed.
56(3) 	Every employer must furnish the UIC, BEFORE THE 7 TH OF EVERY MONTH with any changes during the previous month in Any information furnished.
56(4)	The UIC may request the employer to provide within 30 days or an extended period such additional particulars as may reasonably be required to give effect to the purpose of the Act.

GENERALLY PROHIBITED CONDUCT

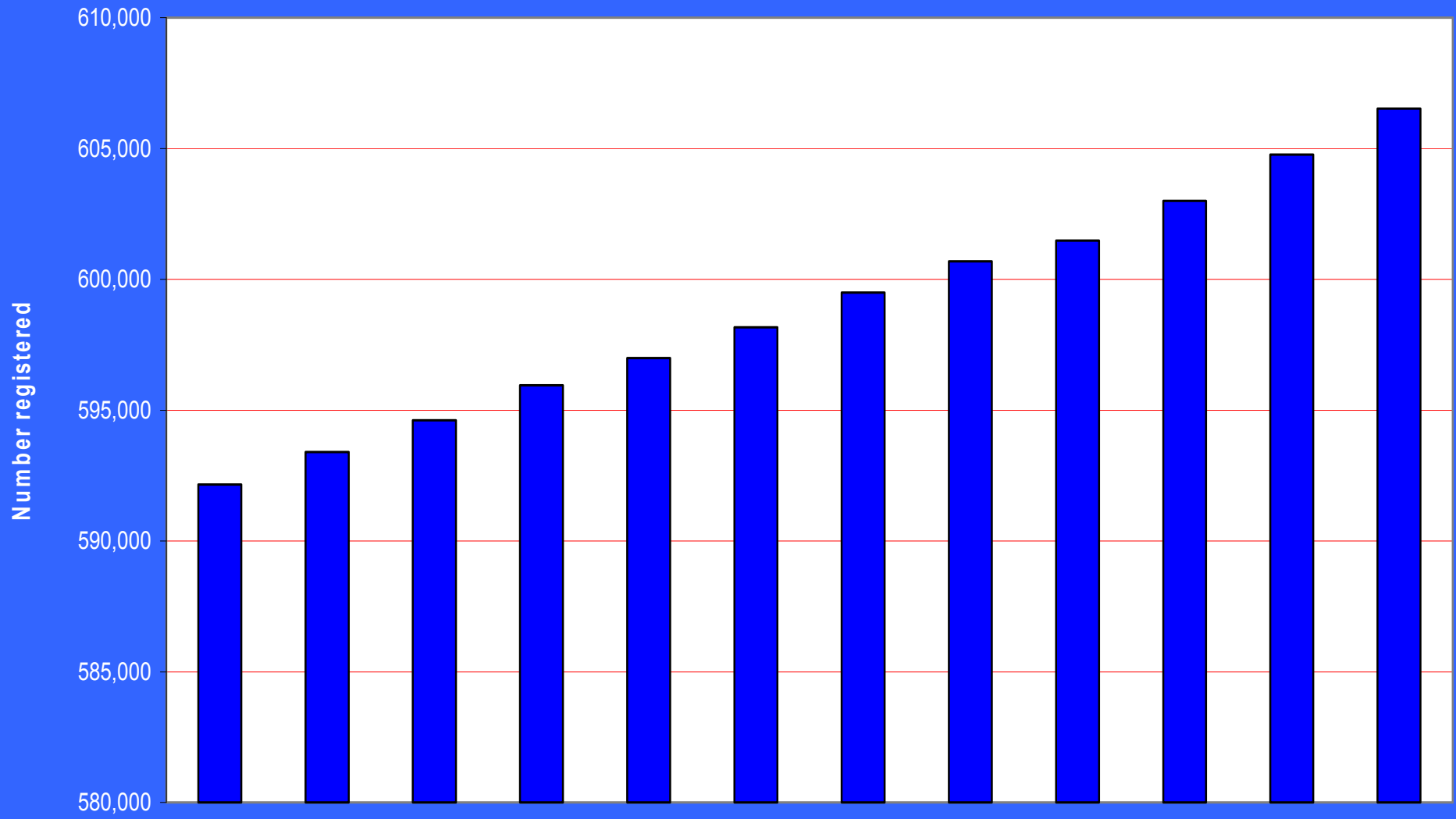
64(1)	No person may:-
64(1)a	Knowingly make a false statement or cause a statement to be made which is materially false or which results in an incorrect payment of benefits in an application for benefits in terms of this act.
64(1)b	Wilfully make any false entry on a contributor's record card or any other book, record or document relating to either a contributor's employment history or to a contributor's claim for benefits;
64(1)c	Contravene, or refuse or fail to fully comply with any provision of this act or any regulations or notice issued in terms of this act.
64(2)	Any person that does not comply with the above is guilty of an offence.

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FINANCIAL HIGHLIGHTS

Description	2009/10 R'000	2010/11 R'000	% Change
Contributions Revenue	10,759,020	11,336,500	5.37%
Investment Income	3,454,857	3,558,233	2.99%
Benefit Expenditure	5,709,988	5,382,397	-5.74%
Operating Expenditure	175,900	197,981	12.55%
Administrative Cost	237,994	293,313	23.24%
Employee Cost	416,734	515,009	23.58%
Net Surplus	6,853,641	9,476,702	38.27%
Investments	43,732,836	52,692,904	20.49%
Accumulated Surplus	28,686,561	37,392,312	30.35%
Technical Reserves	12,485,814	13,256,765	6.17%
Total Assets	44,987,964	54,072,762	20.19%

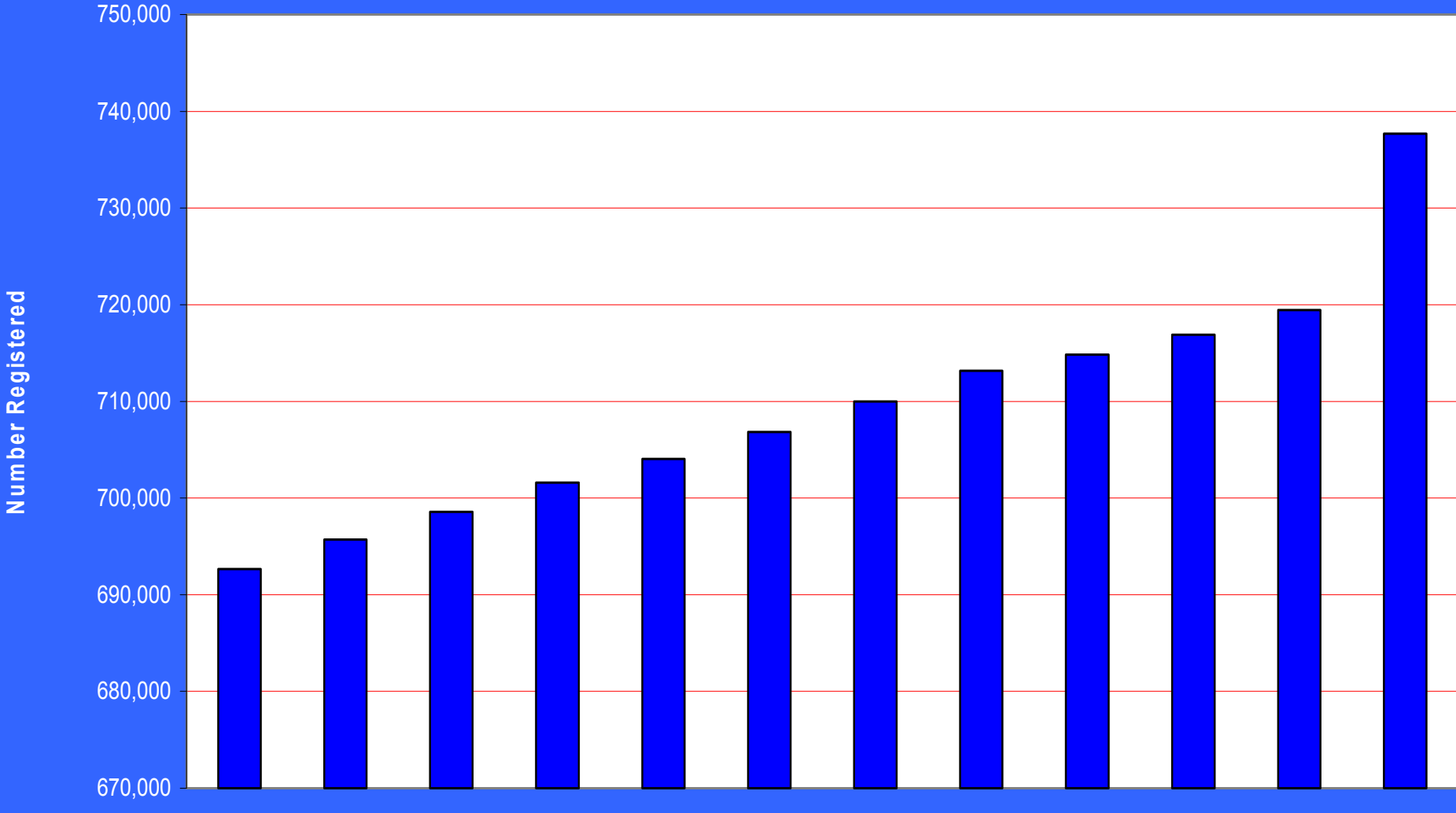
Number of Domestic Employers



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
■ Domestics	592,155	593,401	594,617	595,942	596,988	598,159	599,494	600,691	601,482	602,993	604,767	606,517

Month

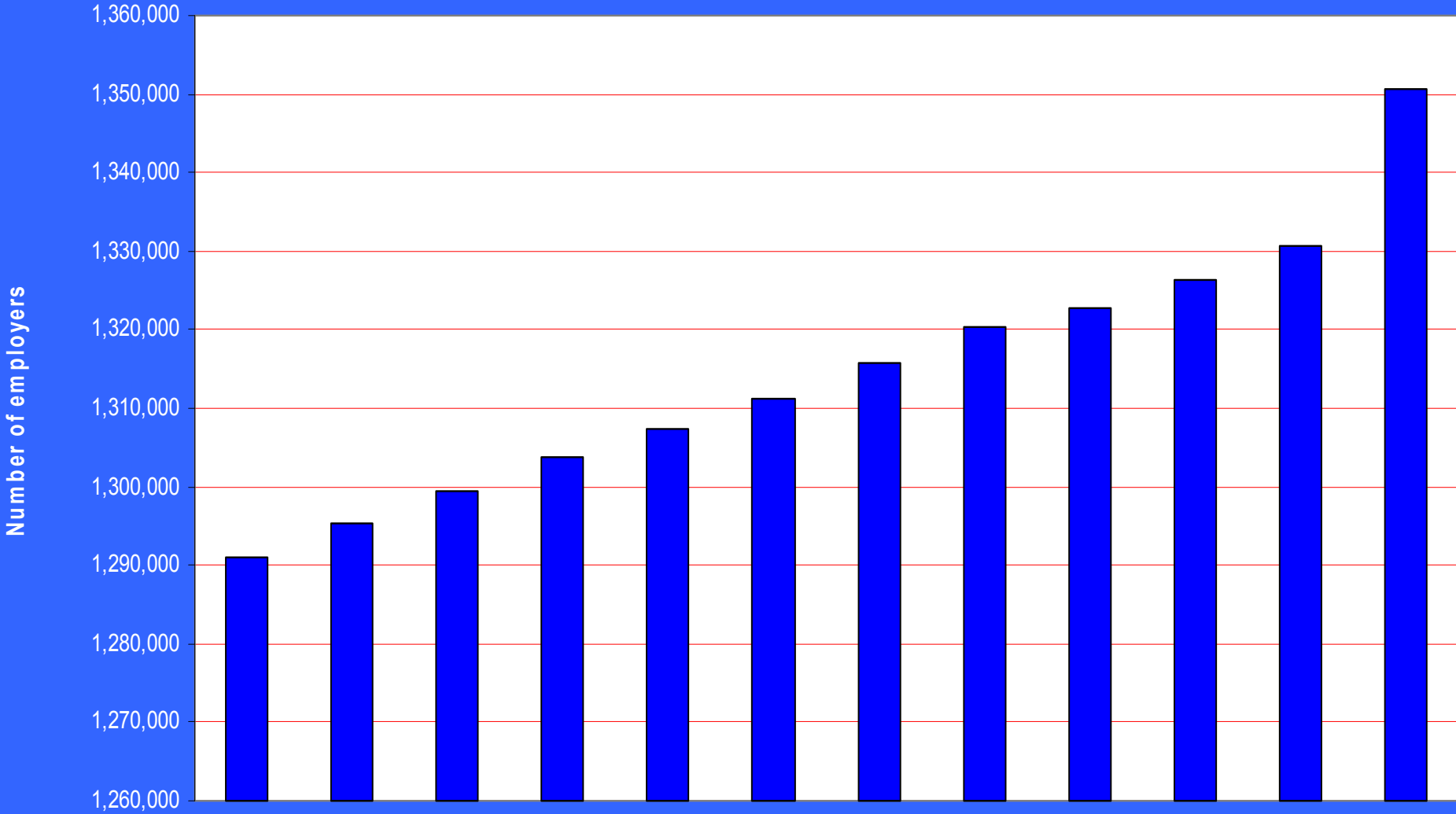
Number of Commercial Employers



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
■ Commercials	692,647	695,706	698,568	701,594	704,049	706,830	709,996	713,162	714,808	716,908	719,459	737,679

Month

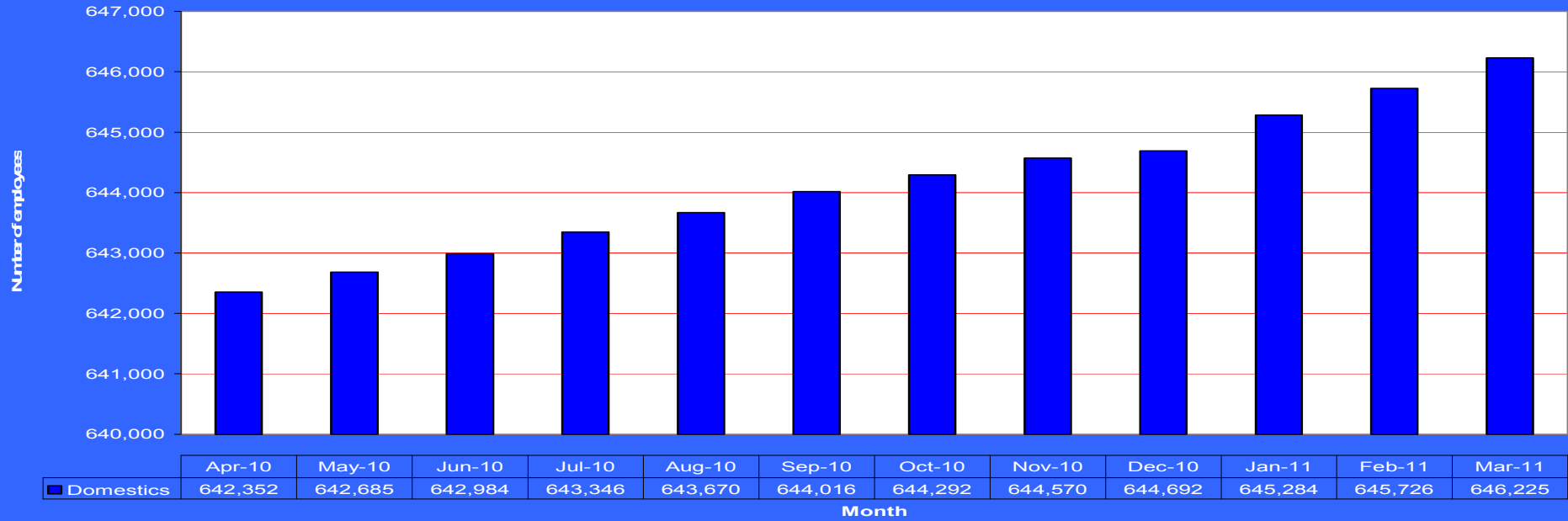
Total number of employers registered



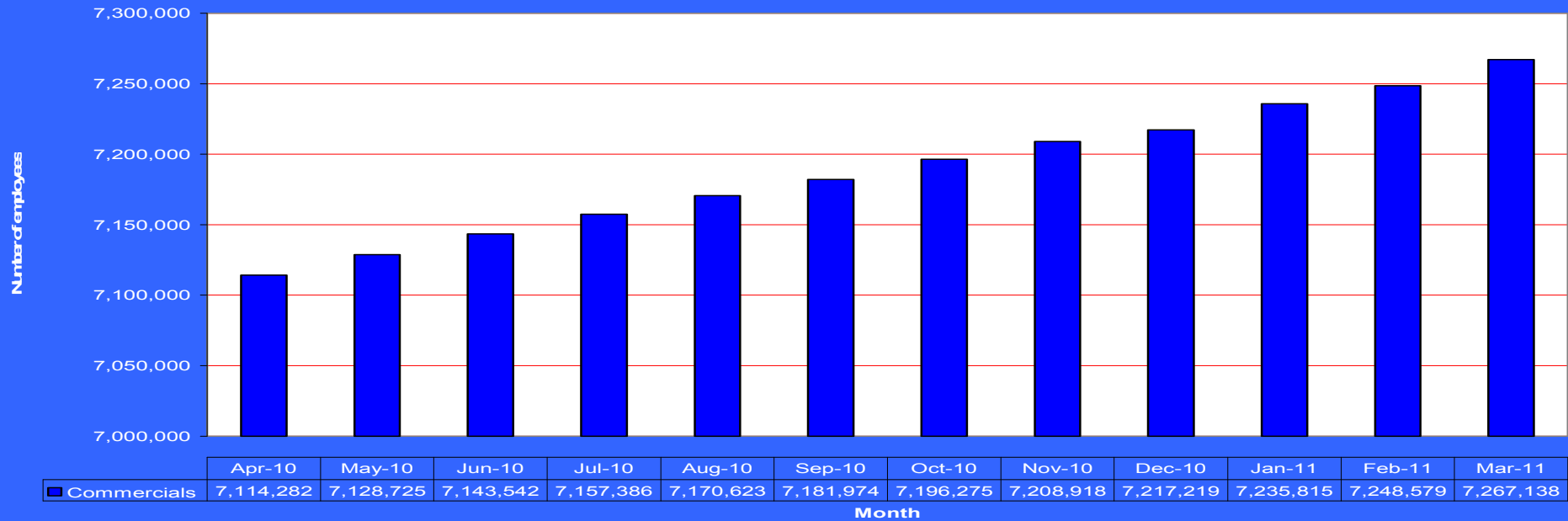
	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
■ Employers reg	1,290,990	1,295,319	1,299,414	1,303,787	1,307,308	1,311,288	1,315,843	1,320,237	1,322,682	1,326,308	1,330,652	1,350,651

Month

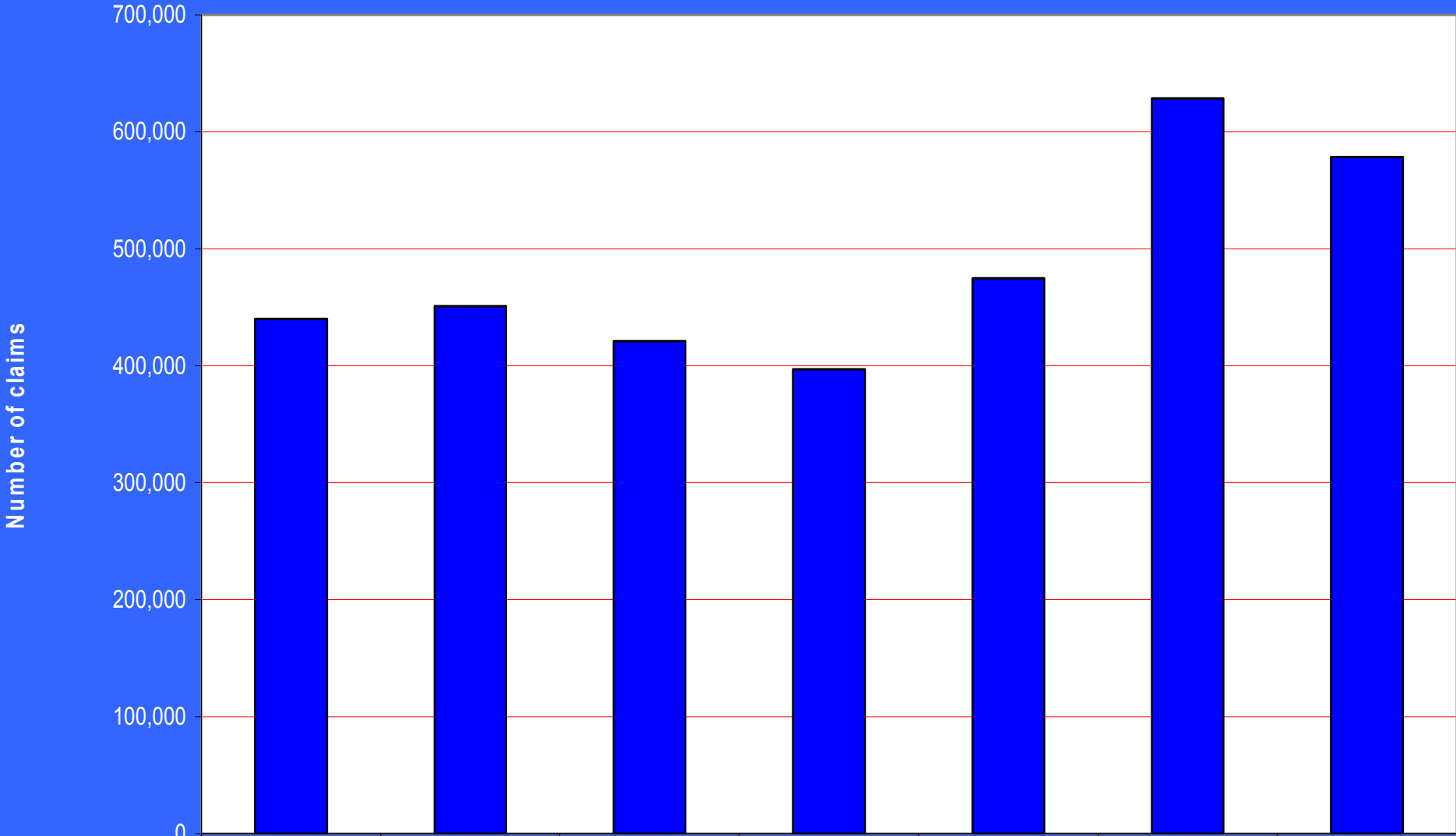
Number of Domestic employees declared



Number of Commercial employees declared



Unemployment claims received

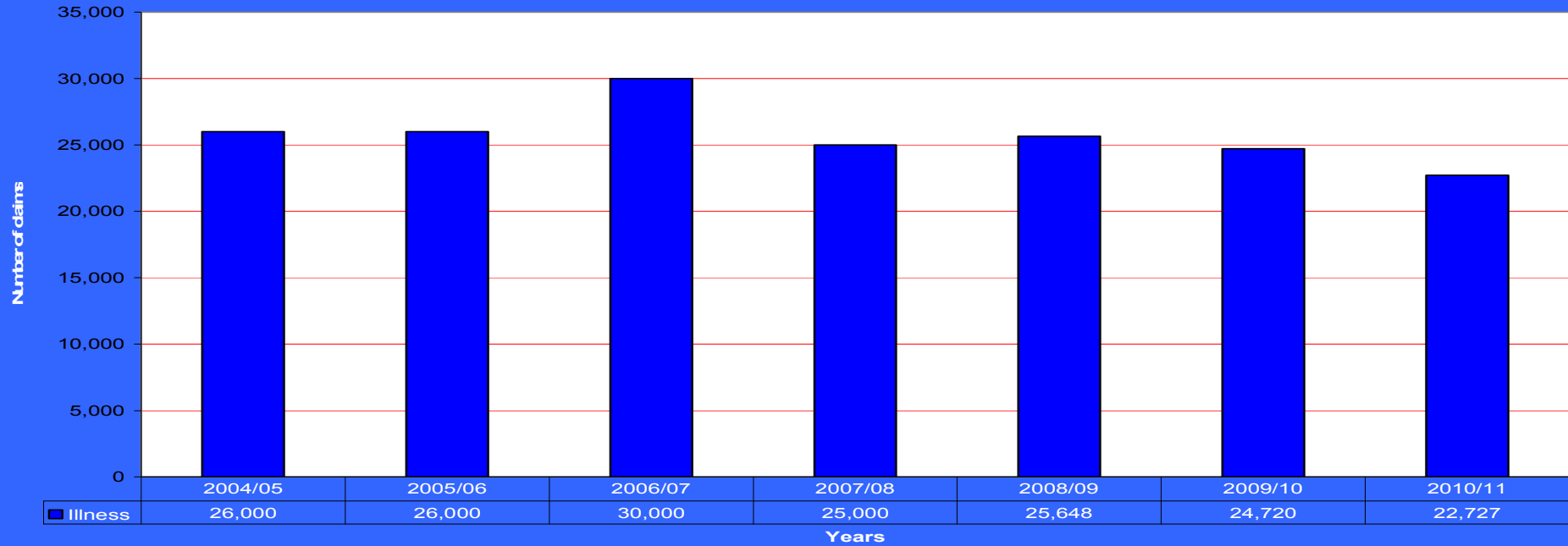


■ Unemployment

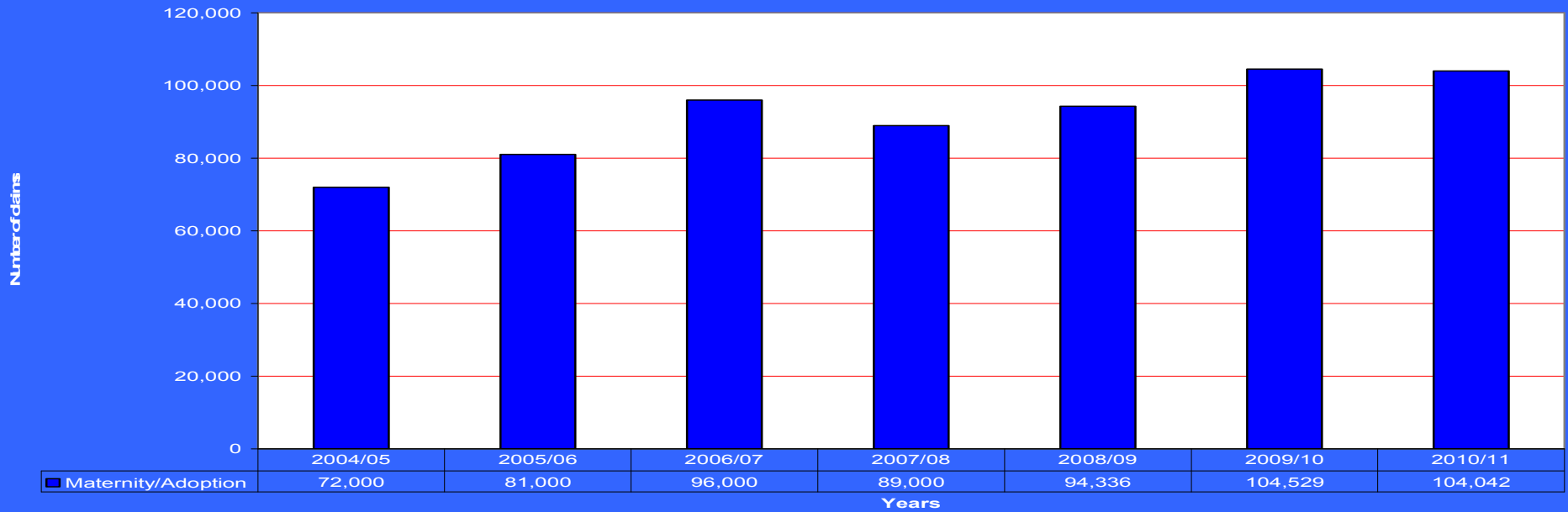
2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
440,000	451,000	421,000	397,000	474,793	628,595	578,266

Years

Illness claims received



Maternity / Adoption claims received



Growing importance of UIF support

Year	Unemployment	Illness	Maternity / Adoption	Dependents	Total
2004/05	1,832,349	135,777	289,534	217,846	2,475,506
2005/06	2,191,024	187,100	355,823	199,478	2,933,425
2006/07	1,991,428	179,776	419,185	247,462	2,837,851
2007/08	2,030,877	187,381	460,907	242,295	2,921,460
2008/09	2,833,539	211,639	537,574	263,866	3,846,618
2009/10	4,535,973	231,784	624,373	317,264	5,709,988
2010/11	4,188,482	232,964	659,804	317,584	5,398,835

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Employers Critical Role: A new paradigm

- First of all, the costs of the program are borne entirely by the employer and their employees.
 - Employers and employees pay 2% of the payroll for unemployment insurance;
 - this is used solely for the payment of benefits, and
 - to initiate programs to assist the unemployed.
- The employer also plays a role in the administration of the UIF by providing declarations that contain the details of their workers.

How does the UIF use the data

1. Compute benefit eligibility;
2. Determine contribution liability of the employers;
3. Assists the claims officers to adjudication claims that are lodged against the Fund;
4. It is very important for Employers also help ensure the integrity of the Fund by reporting potentially fraudulent activities and by not enabling individuals who are receiving benefits to also work and receive benefits at the same time.

LIMBO SERVICES



WHAT GIVES, MAN?
THIS LINE HASN'T MOVED
IN HOURS!



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UIF INNOVATION

- Virtual unemployment portal is one of the largest and most innovative developments undertaken by the Fund to date.
- It leverages the power of the very successful Siyaya system built by the Fund and the Internet to contribute to the goal of better serving the employers and workers.
- The initiative is designed to better service to both employers and the employees when they become unemployed.

What's New ?

- The Virtual unemployment portal creates a single integrated service portal through which unemployment claims can be reconciled with employer's declarations.
- The web-based solution would compliment the activities of the labour centres by enabling the ever increasing computer literate workers to service themselves completely in all aspects of UIF.
- Any accredited person with internet access can receive the service rendered at a labour centre in a safe on line environment.

New business processes

- The system also includes state of-the-art business processes that are aimed at eliminating paper and automating workflow.

Milestones achieved to date

- The project was started in November 2010 and is set to be piloted in selected labour centres, in three of the largest provinces from the 01 July 2011.
- We are on track to meet the target pilot.

Aggressive marketing of unemployment virtual office

- The fund will attempt to spread the benefits of the portal by actively marketing it to the employers.
- Initial indications show widespread interest from employers.

Importance

- The Virtual unemployment portal marks the largest effort to date by the Fund to leverage the Internet and leading-edge technology to minimize turnaround time for claims.
- The new system electronically connects the unemployed with their employers, resulting in real-time declarations and updates and speedy claim processing, through a centralized clearing database.

Co-operation with employers

- The Virtual Labour Market reflects unprecedented cooperation with employers and labour centres.
- Transaction capabilities provide the unemployed with the ability to communicate with their employers electronically.
- All applications can be electronically tracked and traced.

Improved operations

- Electronically manage caseloads of assessors, manage declarations of employers.
- Benefits administration and scheduling tasks in a fraction of the time it currently takes them.
- Self-service features that streamline processes also will save time.
- This will substantially increase the amount of time available to Labour centre staff.
- There will be total business activity monitoring.
- The user interface is user friendly.

Staying with the technology revolution

- The Virtual Office concept is a reality today. All businesses, large and small, are looking for anytime, anywhere flexibility to run their operations.
- Virtual office can be accessed outside of normal work hours.
- Challenge for Human resources to provide more flexible options for staff especially call centre staff that provide user support.

Advantages

- Virtual office a online system that helps to:-
 - save costs,
 - reduce complexity,
 - increase transparency and promptness of service,
 - Improve efficiency of staff,
 - maintain and track all records,
 - offers a highly secure solution, inaccessible by unauthorized users.

End

Get accredited as an employer on the UIF virtual office and be part of the service revolution.