
GOVERNMENT NOTICE

DEPARTMENT OF LABOUR**No. 98****5 February 2007****UNEMPLOYMENT INSURANCE ACT, 2001 AS AMENDED
CALCULATION OF BENEFITS IN TERMS OF SECTION 13 OF THE
UNEMPLOYMENT INSURANCE ACT, 2001 (AS AMENDED).**

I MEMBATHISI MPHUMZI SHEPHERD MDLADLANA, Minister of Labour, do hereby, in terms of Section 54(b) of the Unemployment Insurance Act, 2001 (Act 63 of 2001) **as** amended, make Regulations in order to give effect to the provisions of Section 13 of the Act.



**M M S MDLADLANA MP
MINISTER OF LABOUR**

REGULATIONS

CALCULATION OF BENEFITS IN TERMS OF SECTION 13 OF THE ACT

The calculation of credits is determined by Section 13(3) of the Unemployment Insurance Act. In terms of Section 13(3), a contributor is eligible to receive one day's benefit for every six completed days of employment, up to a maximum of 238 days (34 weeks). A contributor will therefore be eligible to claim benefits for the maximum duration after being continuously employed for four years.

A practical application of Section 13(3) means that if a contributor is employed for a period of 4 years then the total days worked will be equal to 1460. If these 1460 days is divided by 6 days to allocate credits then the result would be 243.33 days which is in excess of the 238 days prescribed by Section 13(3) of the Act. There is thus 5 days in excess of what the Act prescribe.

To calculate correctly the number of days of benefits in terms of Section 13(3) and Schedule 2 of the Act, the following practical steps will be applicable.

Total weeks of benefit to be provided	= 34 weeks
Period of calculation of the 34 weeks	= 4 years
Unique weeks per year (34 weeks/4)	= 8.5 weeks per year
Uniaue number of days allocated oer year	= 8.5 x 7 = 59.5
Total credits to be allocated in 4 years	= 59.5 x 4 = 238

With regard to the above and taking direction from the 4 year cycle and the maximum of 238 days credits referred to in the Act, the following methodology in allocating credits will be followed:

4 year cycle	Days worked	Application of maximum prescribed credits
Year 1	365	59.5
Year 2	365	59.5
Year 3	365	59.5
Year 4	365	59.5
		238

Calculation of benefits

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