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DEPARTEMENT VAN DIE EERSTE MINISTER

DEPARTMENT OF THE PRIME MINISTER

No. 492.

30 Maart 1977.

No. 492.

30 March 1977.

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

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

No. 29 van 1977: Wysigingswet op Werkloosheidsversekering, 1977.

No. 29 of 1977: Unemployment insurance Amendment Act, 1977.

ACT

To amend the provisions of the Unemployment Insurance Act, 1966, so as to provide for the calculation, on the basis of a percentage of the earnings of the contributor concerned, of contributions payable by employers and contributors to the unemployment insurance fund and of benefits, allowances and amounts payable from the said fund; and to fix a maximum amount of contributions payable to the said fund from public funds in any financial year; and to provide for incidental matters.

*(Afrikaans text signed by the State President.)
(Assented to 22 March 1977.)*

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 1 of
Act 30 of 1966.

1. Section 1 of the Unemployment Insurance Act, 1966 (hereinafter referred to as the principal Act), is hereby amended by the deletion of the definition of "group".

Amendment of
section 29 of
Act 30 of 1966,
as amended by
section 2 of
Act 51 of 1975.

2. Section 29 of the principal Act is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) Every employer shall, in respect of every contributor employed by him, and every such contributor shall, contribute to the fund in the manner prescribed by this Act and, in the case of such employer, at the rate of 0,3 per cent, and, in the case of such contributor, at the rate of 0,5 per cent, of the earnings of such contributor or at such rates as may be fixed from time to time under section 45.";

(b) by the substitution for subsection (2) of the following subsection:

"(2) The Minister shall contribute to the fund from moneys appropriated by Parliament for the purpose an amount equal to twenty-five per cent, but not exceeding the amount of seven million rand in any financial year, of the total amount of the contributions paid to the fund in terms of this section by employers in respect of themselves and the contributors employed by them, and such amount shall be paid to the fund at such times and in such manner as the Minister may determine.";

(c) by the substitution for subsection (4) of the following subsection:

"(4) For the purpose of reimbursing himself to the extent to which an employer is required to pay to the Secretary the contributions due to the fund by the

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contributors in his employ, an employer may, weekly or monthly or at such other times as the Secretary may approve, deduct from the earnings of every contributor in his employ an amount equal to the amount of contributions due to the fund by that contributor at the time when the deduction is made: Provided that not more than one week's contributions shall be deducted in any one week from the earnings of a contributor who is paid weekly, and not more than one month's contributions from the earnings of a contributor who is paid monthly.”;

- (d) by the deletion of subsection (5); and
 (e) by the substitution for paragraph (b) of subsection (6) of the following paragraph:

“(b) When a contributor is for any reason absent from work during a portion of any week and is entitled to at least one day's earnings in respect of that week, that week shall for the purposes of this Act be regarded as a period of employment and contributions shall be payable at the full rate in respect of that contributor's earnings for that week.”

Substitution of section 36 of Act 30 of 1966, as amended by section 2 of Act 61 of 1971.

3. The following section is hereby substituted for section 36 of the principal Act:

“Rate of benefits.

36. Subject to the provisions of this Act, the benefits payable to a contributor during any period of unemployment shall be calculated at the rate of 45 per cent of the weekly rate of earnings at which he was last employed: Provided that the claims officer may, if he is satisfied that a contributor has been employed at different rates of earnings but has not been employed at the rate of earnings at which he was last employed for more than thirteen weeks, or whenever there is a dispute as to the rate of earnings at which a contributor was last employed, determine that benefits be paid in respect of the rate of earnings at which he considers the contributor is or was at any time normally employed, or if in his opinion the contributor cannot be held to have been normally employed at any particular rate of earnings, then on such basis as he considers equitable in the circumstances.”

Amendment of section 37 of Act 30 of 1966.

4. Section 37 of the principal Act is hereby amended—

- (a) by the substitution for subsection (3) of the following subsection:

“(3) Benefits shall not be paid to a contributor for more than twenty-six weeks in any period of fifty-two consecutive weeks: Provided that the board may, on application in the prescribed form and manner, in its discretion, but subject to the provisions of section 41 (1) (m), authorize the payment of further benefits to any contributor or any class of contributor at either full rate or such reduced rate and for such period as it may deem fit.”; and

- (b) by the substitution for subsection (4) of the following subsection:

“(4) Whenever in the opinion of the claims officer the number of occasions on which or the periods during which a contributor became or remained unemployed are excessive in comparison with that obtaining among other contributors performing work of a nature similar to that normally performed by such contributor, the claims officer may, for such period as he may determine, authorize the payment of benefits at a reduced rate, or refuse the payment of benefits, as he may deem fit.”

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Amendment of
section 38 of
Act 30 of 1966.

5. Section 38 of the principal Act is hereby amended by the substitution for subsection (3) of the following subsection:

“(3) An allowance shall not be paid to a contributor for more than twenty-six weeks in any period of fifty-two consecutive weeks: Provided that the board may, on application in the prescribed form and manner, in its discretion, but subject to the provisions of the first proviso to subsection (1), authorize the payment of a further allowance to any contributor or any class of contributor at either full rate or such reduced rate and for such period as it may deem fit.”

Amendment of
section 41 of
Act 30 of 1966.

6. Section 41 of the principal Act is hereby amended by the substitution for subsection (2) of the following subsection:

“(2) For the purposes of this section the expression ‘suitable work’ means—

- (a) in relation to a contributor whose normal rate of earnings does not exceed seven hundred and eighty rand a year, any work, including work in agriculture or work as a domestic servant in a private household, which the contributor concerned is, in the opinion of the claims officer, physically capable of performing and the acceptance of which will not, in the opinion of the claims officer, cause the contributor concerned undue hardship and in respect of which the weekly earnings are not less than the weekly benefits which would be payable to such contributor if he is unemployed; and
- (b) in relation to a contributor whose normal rate of earnings exceeds seven hundred and eighty rand a year, for the first thirteen weeks of unemployment, work which the contributor concerned is, in the opinion of the claims officer, capable of performing and the acceptance of which will not, in the opinion of the claims officer, cause the contributor concerned undue hardship, and which is, unless in the opinion of the claims officer the contributor is not capable of undertaking the work in which he has been ordinarily employed, work of a similar class and remunerated at a rate of earnings of not less than seventy-five per cent of the remuneration payable in respect of the work wherein the contributor concerned is ordinarily employed or any work remunerated at a higher rate of earnings and thereafter any work deemed suitable by the claims officer, but does not include employment in a situation which has become vacant in consequence of a stoppage of work such as is referred to in subsection (1) (f).”

Amendment of
section 45 of
Act 30 of 1966.

7. Section 45 of the principal Act is hereby amended—

- (a) by the substitution for subsection (1) of the following subsection:

“(1) If the Secretary at any time, after consultation with the board and the actuary, deems the assets of the fund, after having taken the liabilities of the fund into consideration, to be greater than is required to meet any applications for benefits which may reasonably be expected during a period of severe unemployment, he shall report to the Minister accordingly, and thereupon the State President may by proclamation in the *Gazette*, with effect from a date specified in the proclamation, prescribe an increase in the rate of benefits prescribed by section 36 or by a previous proclamation issued under this section.”; and

- (b) by the substitution for subsection (2) of the following subsection:

“(2) If the Secretary at any time, after consultation with the board and the actuary, is of the opinion that the assets of the fund are insufficient or are not increasing to the extent deemed sufficient to meet applications for

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benefits which may reasonably be expected during a period of severe unemployment, he shall report to the Minister accordingly, and thereupon the State President may by proclamation in the *Gazette*, with effect from a date specified in the proclamation, prescribe an increase in the rates of contributions prescribed by section 29 (1) or in a previous proclamation issued under this section, or a reduction in the rate of benefits prescribed by a proclamation issued under this section: Provided that no such proclamation shall prescribe a reduction in the rate of benefits below the rate prescribed by section 36.”

Amendment of section 48 of Act 30 of 1966.

8. Section 48 of the principal Act is hereby amended—

(a) by the substitution for paragraph (d) of subsection (1) of the following paragraph:

“(d) cease to be payable if the contributor concerned refuses to accept available work of a similar class, and remunerated at the same rate of earnings as or at any higher rate of earnings than, the work wherein he was employed immediately prior to acceptance by him of the employment in respect of which the allowance became payable, other than work which has become available in consequence of a stoppage of work such as is referred to in section 41 (1) (f); and”;

(b) by the substitution for subsection (4) of the following subsection:

“(4) A contributor shall for the period during which an allowance is payable to him in terms of subsection (1), be deemed for the purposes of this Act to be a contributor according to the rate of earnings at which he was employed immediately prior to acceptance by him of the employment in respect of which the allowance became payable.”

Substitution of section 50 of Act 30 of 1966.

9. The following section is hereby substituted for section 50 of the principal Act:

“Method of calculating earnings, contributions, benefits and other amounts. **50. (1) For the purpose of determining the earnings of a contributor on—**

- (a) an annual basis, his earnings shall, if paid weekly, be multiplied by fifty-two, and if paid monthly, by twelve;
- (b) a weekly basis, his earnings shall, if paid monthly, be divided by four and one third;
- (c) a monthly basis, his earnings shall, if paid weekly, be multiplied by four and one third,

or shall be determined in the manner best calculated to give the true value of the earnings of the contributor on an annual, weekly or monthly basis, as the case may be.

(2) Any dispute regarding any matter referred to in subsection (1) shall be settled by the Secretary, whose decision shall be subject to appeal to the Minister.

(3) The value of any food or quarters supplied by an employer shall, for the purposes of this section, be determined in accordance with a method prescribed by regulation.

(4) For the purposes of calculating contributions under section 29 or benefits under section 36 or any other amount under this Act, any fraction of a cent in the amount of such contributions or benefits or in

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such other amount shall be disregarded if the first decimal figure of such fraction is less than 0,5 and shall be taken as one if equal to or more than 0,5.”.

Repeal of
Schedule 1 to
Act 30 of 1966,
as amended by
section 2 of
Act 27 of 1967,
section 2 of
Act 87 of 1968,
section 4 of
Act 61 of 1971,
section 2 of
Act 12 of 1974
and section 4 of
Act 51 of 1975.

10. Schedule 1 to the principal Act is hereby repealed.

Short title and
commencement.

11. This Act shall be called the Unemployment Insurance Amendment Act, 1977, and shall come into operation on a date fixed by the State President by proclamation in the *Gazette*: Provided that the amendments effected by sections 1, 3 and 9 shall not apply with reference to applications for benefits, allowances or payments payable under section 34, 38, 39 or 40 of the principal Act received from applicants prior to the date so fixed.