



The Unemployment Insurance Amendment Act 10 of 2016

The purpose of the Unemployment Insurance Act (the Act) is to establish an unemployment insurance fund. Employers and employees contribute to the fund for the benefit of the employees. When an employee becomes unemployed, they or their beneficiaries can then benefit from the fund. The fund intends to ease the economic and social effects of unemployment.

The recent changes that have been made to the Act will make it much easier to claim benefits and is likely to have a positive impact on the country's workforce and could at the same time stimulate the economy. The amendments to the Act were as a result of surpluses within the fund which could be used to benefit those that become unemployed.

The amendments which are effective from 19 January 2017 are:

- Unemployment insurance benefits are now extended to learners that are in learnership programmes.
- They have also been extended to contributing employees who lose part of their income due to reduced working hours; certain requirements have to be complied with in this instance.
- The benefit that can be claimed has been increased. Currently a contributor's benefit accrues at a rate of one day's benefit for every completed six days of employment, to a maximum accrual of 238 days in the four year period immediately preceding the date of application for the benefit. Going forward, it will be one day's benefit for every **five** days worked to a **maximum** accrual of **365 days** in the four year period immediately preceding the day after the date that employment ends.
- Maternity benefits will now be paid at a rate of 66% of earnings of the beneficiary at the date of application, subject to the income thresholds that are stated in the Act.
- A beneficiary who miscarries or gives birth to a still born child will also be allowed to claim a benefit. The beneficiary must be employed for at least 13 weeks before applying for the maternity benefits.
- The application period for maternity benefits has now been extended from 8 weeks before the birth of the child to **any time** before the birth or after the birth of the child as long as the application is done within 12 months after the child is born.
- Applications for unemployment insurance benefits have also been extended from 6 months after the termination of the employment contract to **12 months**.
- If a contributor is unable to work, he may claim illness benefits provided the requirements for a valid claim are met. If the period of illness was less than 14 days, a contributor was not allowed to claim this benefit. This time period has now been reduced to a period of **7 days**.

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- Dependants can also apply for benefits on behalf of the deceased contributor as long as the application is done within 18 months of the death of the contributor. The contributor may also nominate beneficiaries in relation to the death benefits.

This can be summed up as follows:

Benefit	Before 19/01/2017	From 19/01/2017
Unemployment Insurance Benefit increase	1 day for every 6 days of employment Maximum: 238 days in a four year period	1 day for every 5 days of employment Maximum: 365 days in a four year period
Maternity Benefit	A maximum of 60%, depending on the contributor's income	66% of the contributor's earnings at date of application
Application period – Maternity Benefits	8 weeks before the birth of the child	Any time before the birth of the child and with 12 months after the birth of the child
Application period – Unemployment Insurance Benefits	6 months after termination of employment	12 months after the termination of employment
Illness Benefits	Period of illness must have been at least 14 days	Period of illness must be at least 7 days

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