

Contributer's Name **Notes Overview**

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Chapter 11: Study unit 3-4 *(2013) *Human-Resources management and SA labour legislative framework.*

The relationship between Line managers and HR departments:

1. Role of Hr management in organisation:

- ✚ HR FUNCTION is crucial element and has aspects like organisational effectiveness
- ✚ Looks at the person who performs HR function in org

2. The Human-resource function:

- ✚ Should be in line with board organisational strategy.
- ✚ Main role is for strategic partner and human resource strategies should demonstrate organisational strategy regarding people profit and effectiveness.
- ✚ HR function must be accountable for its action and operate as a PROFIT centre.
- ✚ Correct Procedures must be followed in HR as shown in LABOUR RELATIONS ACT (LRA) NO 66 OF 1995 for retrenchment
- ✚ Focus of HR is on integration and teamwork among employees.

3. Human resource management and organisational effectiveness:

- ✚ EFFECTIVE ORG: must have vision; mission; strategy; organisational structure and human resources.
- ✚ **Successful organization share human resources management attributes:**
*Participative style of management

- *Communication with all levels of employees
- *Promotion from within
- *Training of employees
- *Rewarding of good work
- ✚ For organisations to be really effective, top managers should treat human resources as the key element of effectiveness.
- ✚ **Contribution of Human Resources to org effectiveness:**
 - *Assisting everybody in organization to reach stated goals
 - *Making efficient use of skills and abilities of workforce
 - *Providing organization with well-trained motivated employees
 - *Assisting in attainment of employee job satisfaction + self-actualization
 - *Developing a quality of work life that makes employment in organization desirable
 - *Assisting with maintenance of ethical policies and socially responsible behaviour
 - *Managing change to mutual advantage of individual, groups, organization and public
 - *Executing human resources functional activities in professional manner.

4. Who performs the human resource function:

- ✚ As a new employee is recruited, management's main concern must be that the people do work as well as possible.
- ✚ Certain function has to be performed by HR department and line managers.
- ✚ Line managers are people in other departments such as operations, marketing and finance.
- ✚ As an org grows in size the line managers job gets divided in some aspect, such as recruitment and selection that become more specialized, and dealt with by HR Specialist.
- ✚ HR Specialist will be employed in a company with 50-150 employees.
- ✚ Both HR Specialist and Line managers are responsible for managing the people talent in the work force.

Human Resource Planning:

1. Human Resource Planning;

- ✚ DEF: process of using organisational goals and strategy to forecast, organisations human-resource needs in terms of finding, dev and keeping a qualified work force.
- ✚ WHAT IS HUMAN RESOURCE PLANNING?? ; Determine how many employees will be needed and what their skill, knowledge, qualifications and experience must be to ensure achievement of organization goals.
- ✚ This means the point of departure for Human resource plan should be organizations strategy and goals.
- ✚ **HUMAN RESOURCES PLANNING CAN BE DEVIDED INTO 3 STEPS:**
- ✚ Step 1: Identify what the employees are doing currently (job analysis and job description).
- ✚ Step 2: Identify what skill, knowledge, experience and qualifications, employees need to be effective in their jobs (job specification).
- ✚ Step 3: Identify how many employees will be needed in the future (human resource forecasting and planning).

2. Job Analysis:

- ✚ DEF: Process of describing and recording info about job behaviour and activities.

- ✚ Questions asked:

- What is employer responsible for?
- What tasks are performed?
- What decisions are made?
- What info is needed for work to be done?
- Under what conditions is the job performed?

- ✚ One method is observation by qualified job analyst

- ✚ Can be done for manual labour

- ✚ For administrative work – do interviewing

3. Job Description:

- ✚ Prepared in a pre-determined format that it is easily readable.

- ✚ Starts with summary of job, followed by description of main task, with more details.

- ✚ Data collected put in writing = job description

- ✚ Must be easy readable

- ✚ Content of job must be put in record in understandable way.

4. Job Specifications:

- ✚ Is personal qualification of employee possess in order to perform duties and responsibilities depicted in job description

- ✚ Details the knowledge, skill, abilities, education and experience

- ✚ Can also include physical demand of job e.g. Walking and standing.

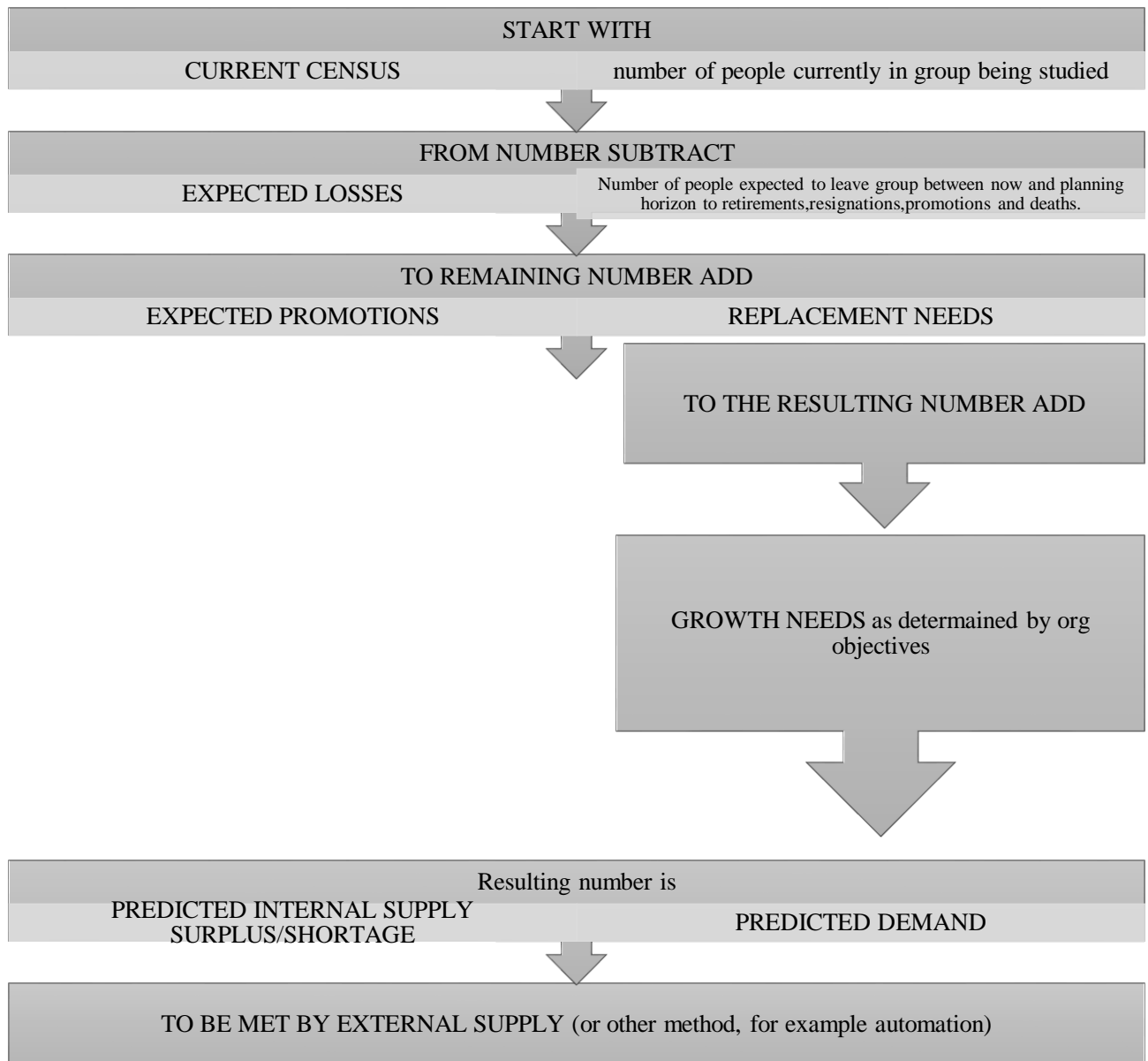
5. Human Resource forecasting:

- ✚ Purpose is to balance human resources supply and human resources demand.

- ✚ Take into consideration:

- Economic growth. (Forecasting expected growth of business in economic dev.)
- New development in the business.(Planned physical extension-new branches-technological changes)
- The Labour market.(Are there sufficient opportunities in the labour market?)

FIG 11.1 PG 296



6. Human Resource plan

- ✚ To provide concrete guidelines and steps that indicates how business short, medium and long term human resources requirements can be provided for.

Finding Qualified workers:

1. Recruiting:

- ✚ Ensure sufficient number of applicants apply for various jobs in the business when required.
- ✚ 2 sources:
 - Recruitment from inside org
 - Recruitment from outside org

2. Recruiting from inside:

- ✚ Internal recruiting
- ✚ To fill vacant position with existing staff
- ✚ Has to take in account labour legislation EMPLOYMENT EQUALITY ACT (NO 55 OF 1998) and LRA (66 OF 1995) as amended!
- ✚ Advantages:
 - Career planning becomes possible
 - Assessment of applicants is easier
 - Cos of recruitment is low
- ✚ Disadvantages:
 - Business tends to stagnate
 - Staff at lower levels do not necessarily have abilities to fill senior positions
 - Can be a lot of personal competition

3. Recruiting from outside:

- ✚ External recruitment
- ✚ Advantages:
 - Active effort is made to get right person
 - App created to bring new ideas
- ✚ Disadvantages:
 - Recruiting costs are higher
- ✚ It is risky – assessment of applicant can be wrong
- ✚ Morale of existing personnel can be influenced

4. Recruiting Procedure:

- ✚ Needs a record system – computerised- **HUMAN-RESOURCE INFORMATION SYSTEM (HRIS)** this contains each employee's qualifications, training and expertise.
- ✚ External recruitment – right people must apply
- ✚ If too many apply – time consuming
- ✚ External recruitment – analysis of labour market NB!
- ✚ Labour market = social of demographical area where an organization draws its employees.

5. Recruitment Techniques:

- ✚ Advertising
- ✚ Consultants and labour agencies
- ✚ Existing employees
- ✚ Personal approach
- ✚ Radio, TV, internet
- ✚ Recruiting agencies

6. Selection

- ✚ **NB DO NOT CONFUSE RECRUITING AND SELECTION!!!**
- ✚ Selection is done after the advertisement, when people who are interested in the position have applied for, and the org goes through a process to determine which of the interested people will be best to fill the position.
- ✚ Can vary from short interview to intensive assessment
- ✚ Preliminary screening
- ✚ Intensive assessment
 - Psychological testing
 - Diagnostic interviewing
- ✚ Final selection
- ✚ Placement and induction
- ✚ Induction process will achieve:
 - Introduce to colleagues
 - Explain business policy, procedures and rules
 - Inform about business history, products and services

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- Inform about practical arrangements e.g. payment
- Inform about organization structure

STEPS IN A SELECTION PROCESS NB! PG 300

STEP 1

Initial job from submission(application or cv)

STEP 2

Initial interview

STEP 3

Ability, Personality and interest test

STEP 4

Work Simulation

STEP 5

Reference and background checks

STEP 6

Follow up interview

STEP 7

Analysis and decisionmaking

1:Reject 2: Hold 3: Offer job!

STEP 8

Medical and Physical test

STEP 9

Notification to candidates

Rewording of results for
legal and research
purposes

Follow up to ensure that
candidate accepts offer

- ✚ With implementation of the Labour relations act LRA (no 66 Of 1995) and EEA Employment equality Act (no 55 of 1998) important components in selection process have been affected.
- ✚ E.g. Application form must not contain discriminatory questions such as
 - Are you married?
 - Divorced
 - Single
- ✚ These types of questions may not be asked in an interview and the various test may not be culturally biased.

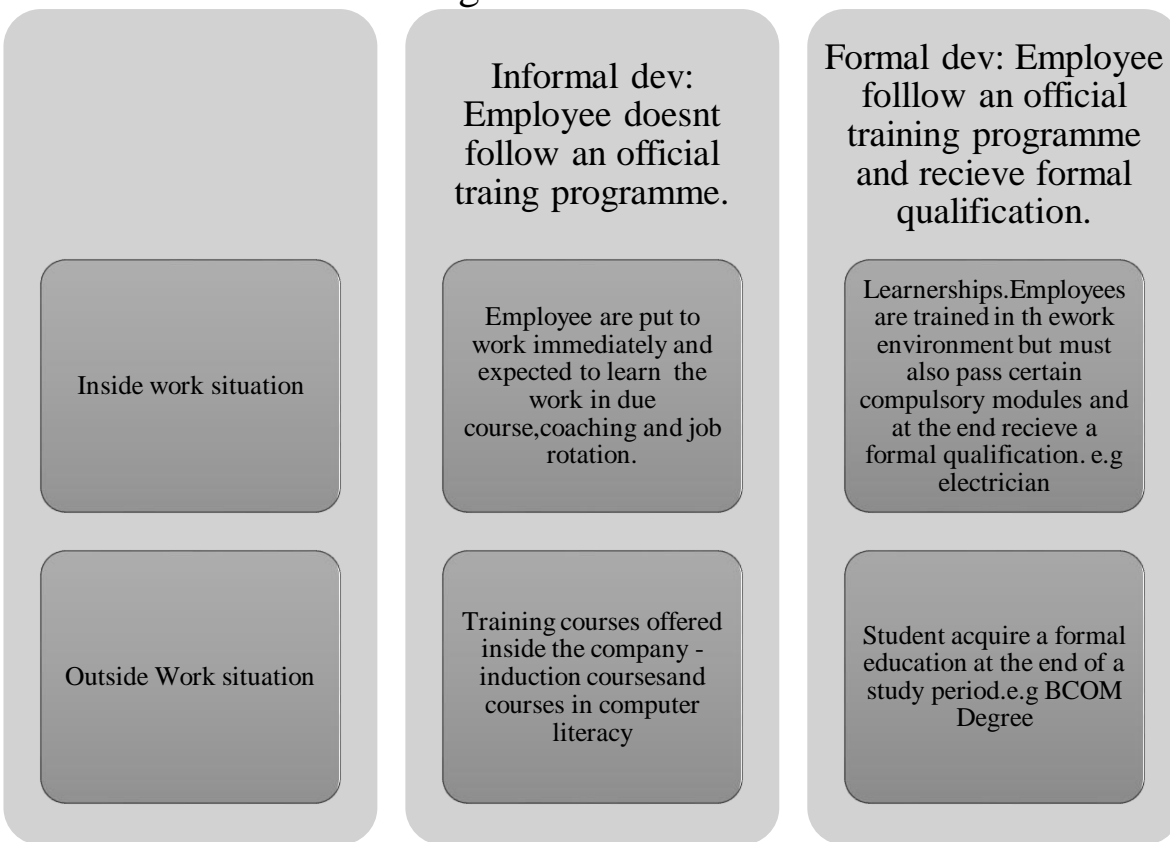
Developing Qualified workers

1. Human- Resource development:

- ✚ Human resources manager:
 - Ensure comp employs sufficient staff
 - Creating opportunities for empl to make themselves more valuable
- ✚ Distinguish between:
 - Training
 - Technical
 - Management
 - Development
- ✚ Training = provide employee with knowledge and skill needed to do particular job
- ✚ Development = long term focus on preparing for future work responsibilities
- ✚ Human resources development = systematic and planned activities designed by organization to prove its members with opportunities to learn necessary skills to meet current and future jobs

2. Development Methods:

- ✚ Within the work situation :
 - Formally
 - Informally
- ✚ Outside the work situation:
 - Formally
 - Informally



3. Performance appraisal:

- ✦ to determine in which aspect the employee has:
 - performed exceptionally well
 - Complied with requirements for the job.
 - not complied with requirements of job
- ✦ also called:
 - employee rating
 - employee evaluation
 - performance review
 - performance evaluation
 - results appraisal
- ✦ Performance appraisal can be done by anyone who is familiar with the performance of individual employee's incl supervisors who rate employees.
- ✦ performance appraisal must be objective to be successful
- ✦ some provide methods to assess characteristics of employee
- ✦ least effective way – to compare employees in general
- ✦ new method 360° multisource rating
- ✦ feedback from various colleagues and constituencies received
- ✦ results of performance appraisal be used for:
 - provide basis for financial rewards
 - to determine promotion to higher level
 - to provide employee feedback on how well they are doing
- ✦ HR Manager cannot do the performance appraisal himself
- ✦ HR Manager must that the LINE manager must help them do it.

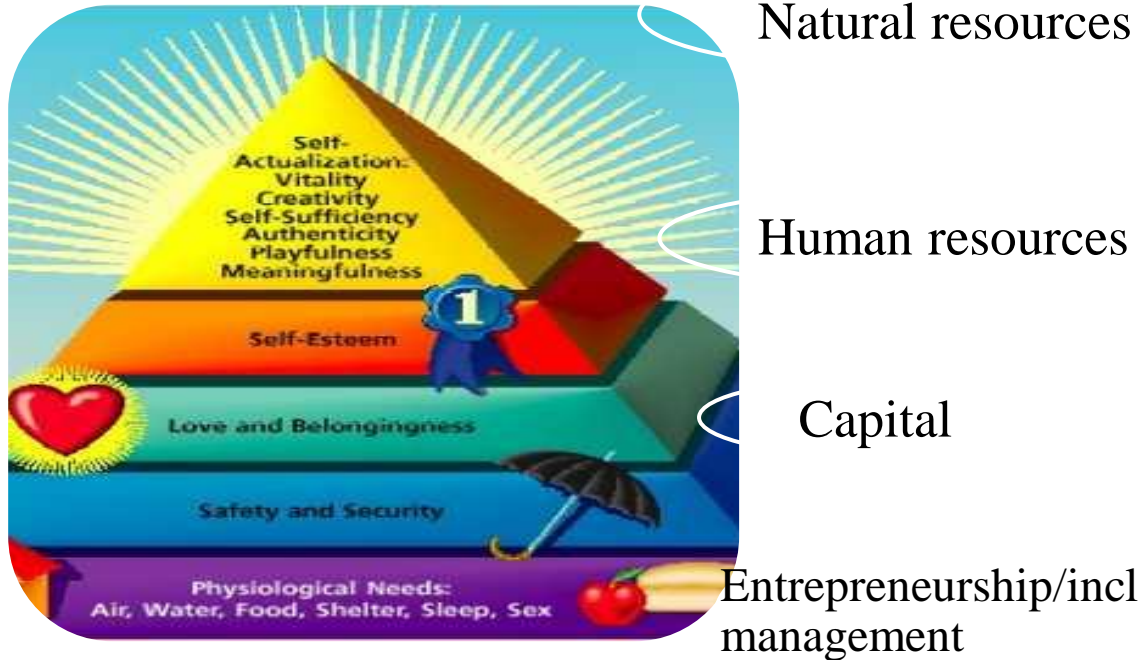
Keeping Qualified Workers:

1. Compensation of employee:

- ✚ Refers to all forms of financial returns, tangible services and benefits they receive as part of employment relationship
- ✚ Establishment of a compensation policy is a necessity.
- ✚ Important when drawing up policy:
 - Level of pay that might be higher or lower than, or equal, to competitors pay.
 - How compensation should compare in general with labour market ; Fringe benefit of some companies do not involve more than 30%-40% of total compensation , while those of other companies are high as 50%.
 - Policy must be determined on cost of living adjustment , every employee automatically receive an increase correspondent with CONSUMER PRICE INDEX (CPI)
 - Determine what form of award will take place e.g. Salary increase

2. Types of Compensation:

- ✚ Compensation is output an employee receives for input (work) he provides
- ✚ Direct compensation:
 - Monthly salary based on worth of the job to the organisation and not on individual or team performance. Everyone working as a cashier earn same salary with difference being based on years of experience and qualifications and not the job performance.
 - Monthly paid = salary
 - Daily / weekly = wage
 - Piece wage = compensated for amount of work her performs regardless of time it took
- ✚ Indirect compensation:
 - Not Monetary – save for pension on employee behalf.
 - Benefits employees receive from membership to organization = fringe benefits
 - Increase in size and scope as employee moves to higher levels in organisation
 - Leave-holidays
 - Insurance-medical
 - Housing-low rent
 - Car – free car
 - Linked to hierarchical level of employee



- + Reward
 - o Linked on performance
 - o Motivate employees
 - o Salary increase
 - o Financial bonuses
 - o Paid holiday
- + Compensation is part of an agreement and is given to employee for satisfactory performance.
- + It can therefore be regarded as a right because company is committed to paying it.
- + Reward is not committed on part of the company but voluntary

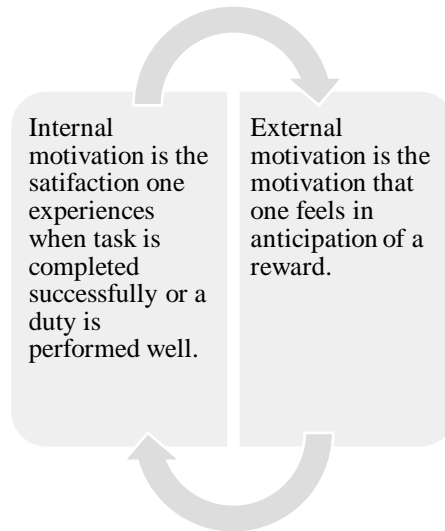
3. Amount of compensation:

- + Make external comparisons e.g. salary survey
- + Make internal comparisons = job evaluation
- + Value of jobs must be compared in terms of demand it makes on employee
- + Job evaluation – 2 methods:
 - Ranking all jobs in company
 - Factor comparison method – jobs are compared in terms of demands it makes on employee in terms of factors eg knowledge
 - Points are awarded for each factor = compensate factors
 - Total points determine job grade
- + Job description – purpose 2 fold:
 - o Form basis of job specification
 - o Provide basis for job comparison

Motivating Employees:

1. Employee Motivation

- ✚ Motivation is the internal drive that encourage people to achieve certain goals
- ✚ TWO DIMENTIONS:



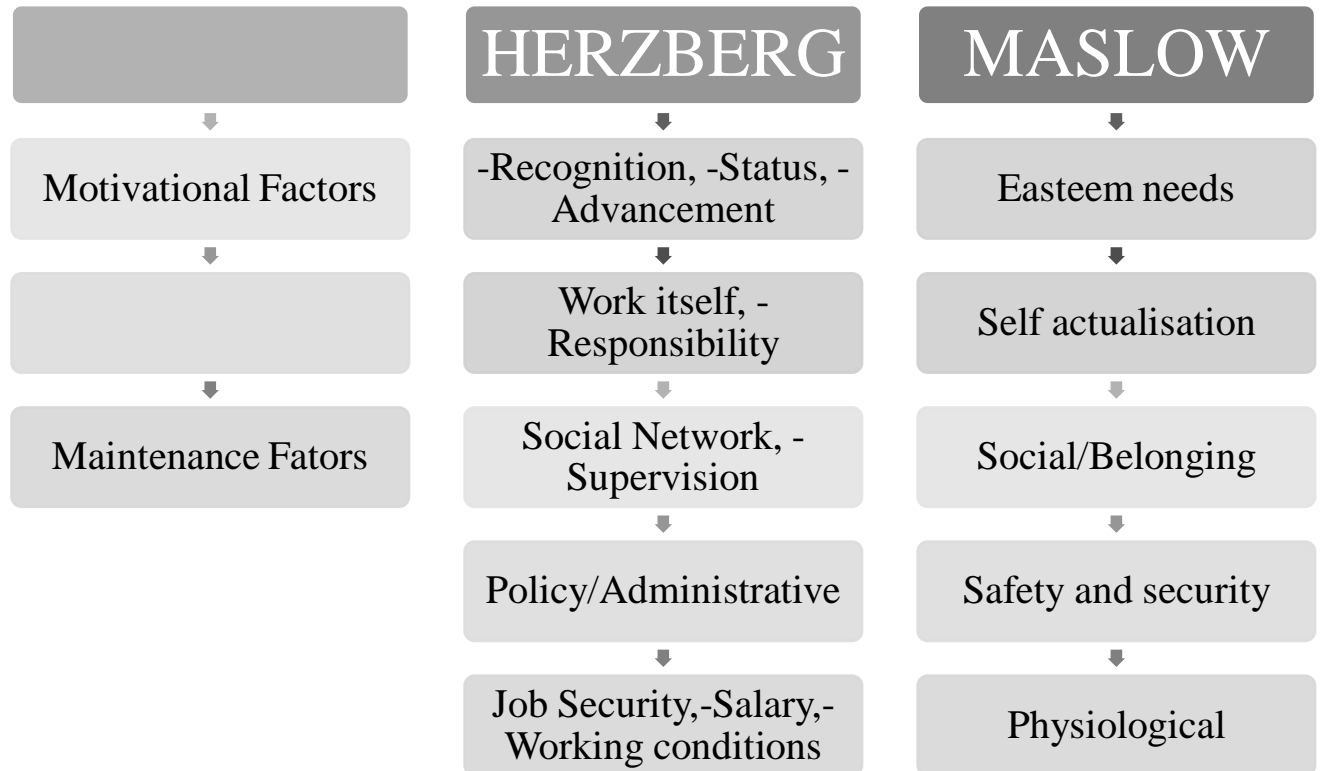
- ✚ Determined by 3 things:
 - Desire to do job (motivation)
 - Capability to do job (ability)
 - Resources to do job (work environment)
- ✚ Motivation = forces within a person that affect his direction, intensity and persistence of behaviour that is within control of a person
- ✚ Motivated employee is prepared to:
 - Exert a particular level of effort – intensity
 - For a certain amount of time – persistence
 - Toward a particular goal – direction
- ✚ Different approaches to motivation:
 - Content approach
 - Process approach
- ✚ Content = what actually motivates people (need theories)
- ✚ Process = actual process of “how” of **motivation**

2. Content approach to motivation:

- ✚ Content approach include :
 - Abraham **MASLOW’S** hierarchy of needs
 - Clayton **ALDERFER’S ERG** theory
 - Frederick **HERTZBERG’S** two-factor theory
 - David **MCCLELLAND’S** learnt-needs theory
- ✚ Abraham Maslow – hierarchy of needs
 - Physiological needs
 - Security needs
 - Social–belonging needs

- Esteem needs
- Self-actualization needs
- ✚ Clayton Alderfers – ERG theory
 - Existence needs
 - Relatedness needs
 - Growth needs
- ✚ Frederick Herzberg – 2 factor theory
 - Maintenance (hygiene) factor
 - Motivational factor – growth factor
 - Internal motivation – based on motivators
 - External motivation – based on maintenance factors
- ✚ David McClelland – learnt theory
 - Needs are learnt and reinforced
 - Need for achievement
 - Need for power
 - Need for affiliation
- ✚ Implications of content theories:
 - Theories suggest that needs change
 - Management need to balance power need with affiliation need
 - Needs may be unconscious

COMPARISON OF THE THEORIES OF HERTZBER AND MASLOW PG 317



3. Process approach to motivation:

✚ Expectancy theory - Victor Vroom

- How much we want something
- How likely we think we are to get it
- 4 assumptions:
 - Behaviour is combination of forces controlled by indiv and environment
 - People make decisions about own behaviour in organization
 - Diff people diff goals
 - People will act in a certain way
- 3 key concepts:
 - Expectancy-self efficiency
 - Instrumentality- strength of a person's believe
 - Valence- (desirability)

✚ Equity theory and organization justice – Stacey Adams

- Employee compare efforts with those of other employees
- People are motivated by desire to be treated equitably
- Organizational justice
 - Distributive justice – perceived fairness of how resources and rewards are distributed or allocated
 - Procedural justice – perceived fairness of process and procedures used to make allocated decisions.
 - Interactional justice –Quality of interpersonal treatment people receive when procedures are implemented.
- Practical implications of equity theory:
 - Employee is motivated to correct situation when perception of fairness is offended
 - Emphasize to pay attention to what employee think is fair
 - Management must explain rationale behind decisions

- Employee are treated fair if they appeal to certain decisions
- Employee more likely to accept change if they think it is fair
- Teamwork promoted when employee are treated fair
- Management need to entrench values such as honesty etc

✚ Goal setting theory and feedback

- Built on assumption, all things being equal, performance of employee will improve if they strive toward a definite goal
- Thrust is that more difficult the goal is the higher the level of performance is if employee are committed to goals
- Goals – inform employee about performance and expectations
- Feedback – provides info to adjust effort
- Effective feedback:
 - Give feedback immediately
 - Evaluations should be descriptive
 - Focus on behaviour not personality
 - Should be specific not general
 - Should be directed at behaviour that can be changed
 - Dev activities should be agreed upon

✚ Self-efficacy – Albert Bandura

- Refers to belief in one's capacity to perform a task or to adhere to goal
- Cycle:
 - Setting challenging goals
 - Monitoring success
 - Taking action to lower discrepancies
 - Setting new goals
- Can be increased by following approaches:
 - Provide guidance and support to employee
 - Provide successful role models
 - Be a targeted cheer leader
 - Reduce stress en environment

✚ Implication of process approaches

- Intention plays a key role in motivated behaviour
- Feedback vital importance
- All have a rational element
- Can induce self-assessment
- Non-rational component also important

4. Employee motivational strategies:

- ✚ Strategies are applied in macro or organisation level:
 - Job design
 - Job rotation
 - Job enrichment
- ✚ Employee involvement in prog as participative management and quality circles
- ✚ Management by objectives (MBO)
- ✚ Intrapreneurial incentives – intrapreneurialship
- ✚ Training and education
- ✚ Employee recognition programs
- ✚ Empowerment programs
- ✚ Reward systems
- ✚ Career management

5. Legal Environment: study unit 4 pg 43: **READ!!!!!!**

I. LEGAL RELATIONS ACT:

Purpose:

- 1) The purpose of [this Act](#) is to advance economic development, social justice, labour peace and the democratisation of the workplace by fulfilling the primary objects of this Act, which are –
- a) to give effect to and regulate the fundamental rights conferred by section 27 of the Constitution;
 - b) To give effect to obligations incurred by the [Republic](#) as a member state of the International Labour Organisation;
 - c) To provide a framework within which [employees](#) and their [trade unions](#), employers and employers' organisations can –
 - i) collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest; and
 - ii) Formulate industrial policy; and
 - d) To promote –
 - i) Orderly collective bargaining;
 - ii) Collective bargaining at sectorial level;
 - iii) Employee participation in decision-making in the workplace; and
 - IV) the effective resolution of labour disputes.

Notes:

- 1) An italicised word or phrase indicates that the word or phrase is defined in [section 213](#) of this Act. In the hypertext version the italicised words are replaced by underlined green words which, when clicked, pop up the appropriate definition from Section 213.
- 2) Section 27, which is in the Chapter on Fundamental Rights in the Constitution entrenches the following rights:
- a) Every person shall have the right to fair labour practices
 - b) Workers shall have the right to form and join trade unions, and employers shall have the right to form and join employers' organisations.
 - c) Workers and employers shall have the right to organise and bargain collectively.
 - d) Workers shall have the right to [strike](#) for the purpose of collective bargaining.
 - e) Employers' recourse to the lock-out for the purpose of collective bargaining shall not be impaired, subject to subsection 33(1).

II. BASIC CONDITIONS OF EMPLOYMENT:

Purpose:

- The purpose of [this Act](#) is to advance economic development and social justice by fulfilling the primary objects of this Act which are--
- a) to give effect to and regulate the right to fair labour practices conferred by section 23(1) of the [Constitution](#)--
 - i) by establishing and enforcing basic conditions of employment; and
 - ii) by regulating the variation of basic conditions of employment;
 - b) to give effect to obligations incurred by the Republic as a member state of the International Labour Organisation.

III. SKILLS DEV ACT:

Purpose:

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-financing scheme and a [National Skills Fund](#); to provide for and regulate [employment services](#); and to provide for matters connected therewith.

The purposes of [this Act](#) are-

- 1) a) to develop the skills of the South African workforce-
 - i) to improve the quality of life of [workers](#), their prospects of work and labour mobility;
 - ii) to improve productivity in the workplace and the competitiveness of employers;
 - iii) to promote self-employment; and
 - iv) to improve the delivery of social services;
 - to increase the levels of investment in education and training in the labour market and to improve the return on that investment;
 - b) to encourage employers-
 - i) to use the workplace as an active learning environment;
 - ii) to provide [employees](#) with the opportunities to acquire new skills;
 - iii) to provide opportunities for new entrants to the labour market to gain work experience; and
 - iv) to employ persons who find it difficult to be employed;
 - d) to encourage workers to participate in learning programmes;
 - to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;
 - e) to ensure the quality of learning in and for the workplace;
 - f) to assist-
 - i) work-seekers to find work;
 - ii) retrenched workers to re-enter the labour market;
 - iii) employers to find qualified employees; and
 - h) to provide and regulate [employment services](#).
 - a)
- 2) Those purposes are to be achieved through-
 - a) an institutional and financial framework comprising-
 - i) the [National Skills Authority](#);
 - ii) the [National Skills Fund](#);
 - iii) a skills development levy-financing scheme as contemplated in the [Skills Development Levies Act](#);
 - iv) SETAs;
 - v) provincial offices of the Department;
 - vi) labour centres of the Department;
 - vii) accredited trade test centres;
skills development
 - viii) institutes;
 - ix) the Quality Council for Trades and Occupations;
 - x) a skills development forum for each province;
 - xi) a national artisan moderation body; and
 - xii) Productivity South Africa;
 - b) encouraging partnerships between the public and private sectors of the economy to provide learning in and for the workplace; and
 - c) co-operating with the [South African Qualifications Authority](#).

IV. SKILLS DEV LEVIES ACT:

Purpose:

[This Act is amended up to and including notice 902 from Government Gazette 34720 – Amendments to Act.]

[This Act amended up to and including the Taxation Laws Amendment Act, No. 17 of 2009, and the Taxation Laws Second Amendment Act, No. 18 of 2009]

To provide for the imposition of a skills development levy; and for matters connected therewith.

- 1) Subject to subsection (2), the [Director-General](#) must administer [this Act](#).
- 1) The [Commissioner](#) must administer the provisions of the Act in so far as it relates to the collection of the [levy](#) payable to the Commissioner in terms of this Act.
- 2) The Director-General may delegate any part of the administration of this Act, contemplated in subsection (1), to the executive officer of a [SETA](#).
- 3) A delegation in terms of subsection (3)--
 - a) is subject to the conditions the Director-General determines;
 - b) must be in writing;
 - c) does not prevent the Director-General from performing the part of the administration so delegated; and
 - d) may at any time be withdrawn in writing.

V. S.A QUALIFICATIONS AUTHORITY ACT:

Purpose:

VI. This Act has been repealed by the National Qualifications Framework Act, No. 67 of 2008.

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

VII. ACT

To provide for the development and implementation of a [National Qualifications Framework](#) and for this purpose to establish the South African Qualifications Authority; and to provide for matters connected therewith.

Level descriptors for levels 1 to 4 of the NQF shall ensure coherence across fields of learning in the allocation of qualifications and standards to particular levels, and shall facilitate the assessment of the international comparability of standards and qualifications.

- 1)The objectives of the [National Qualifications Framework](#) are to –
 - a)create an integrated national framework for learning achievements;
 - b)facilitate access to, and mobility and progression within education, training and career paths;
 - c)enhance the quality of education and training;
 - d)accelerate the redress of past unfair discrimination in education, training and employment opportunities; and thereby
 - e)contribute to the full personal development of each learner and the social and economic development of the nation at large.

VIII. EMPLOYMENT EQUITY ACT:

Purpose:

[This Act is amended up to and including Notice No. 733 of 2009 regarding the Repeal of Employment Equity Regulations 2006, and the inclusion of General Administrative Regulations, 2009 published in Government Gazette No. 32393 dated 14 July 2009.]

To provide for employment equity; and to provide for matters incidental thereto.

Preamble

Recognising-

that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market; and

that those disparities create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws,

Therefore, in order to-

promote the constitutional right of equality and the exercise of true democracy;

eliminate unfair discrimination in employment;

ensure the implementation of employment equity to redress the effects of discrimination;

achieve a diverse workforce broadly representative of our people; promote economic development and efficiency in the workforce; and

give effect to the obligations of the [Republic](#) as a member of the International Labour Organisation,

The purpose of this Act is to achieve equity in the workplace by-

a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and

b) implementing affirmative action measures to redress the disadvantages in employment experienced by [designated groups](#), in order to ensure their equitable representation in all occupational categories and levels in the workforce.

IX. OCCUPATIONAL HEALTH AND SAFETY ACT:

Purpose:

[This Act is amended up to and including Government Gazette 35536 dated 27 July 2012 – Notice R. 570; Notice of Exemption.]

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

X. COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASE ACT:

Purpose:

XI. [This Act is amended up to and including Government Gazette 35320, dated 1 April 2012 – Notice 352; Fees for Medical Aid.]

To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith.

XII. UNEMPLOYMENT INSURANCE ACT:

Purpose:

The purpose of [this Act](#) is to provide for-

- a) the payment of [contributions](#) for the benefit of the [Unemployment Insurance Fund](#); and
- b) procedures for the collection of such contributions.

1) [This Act](#) must be administered by the [Commissioner](#).

2) The Commissioner may delegate any power or assign any duty which relates to the collection of-

- a) [contributions](#) payable to the [Unemployment Insurance Commissioner](#) in terms of [section 9](#); and
- b) any information to be submitted by [employers](#) in terms of this Act, to the Unemployment Insurance Commissioner.

1) This Act applies to all [employers](#) and [employees](#), other than -

- a) an employee and his or her employer, where such employee is employed by that employer for less than 24 hours a month;
- b) employees under a contract of employment contemplated in section 18(2) of the Skills Development Act, 1998 (Act No. 97 of 1998), and their employers;
- c) employees in the national and provincial spheres of government who are officers or employees as defined in section 1(1) of the Public Service Act, 1994 (Proclamation No. 103 of 1994), and their employers;
- d) an employee and his or her employer, where that employee has entered the Republic for the purpose of carrying out a contract of service, apprenticeship or learnership within the Republic if upon the termination thereof the employer is required by law or by the contract of service, apprenticeship or learnership, as the case may be, or by any other agreement or undertaking, to repatriate that person, or if that person is so required to leave the Republic;
- e) the President, Deputy President, a Minister, Deputy Minister, a member of the National Assembly, a permanent delegate to the National Council of Provinces, a Premier, a member of an Executive Council or a member of a provincial legislature; and
- f) any member of a municipal council, a traditional leader, a member of a provincial House of Traditional Leaders and a member of the Council of Traditional Leaders.

2) *[deleted by the Revenue Laws Amendment Act, 2003].*