



LABOUR LAW

INTRODUCTION	180
THE CONTRACT OF EMPLOYMENT	180
How can a contract of employment be used?	181
Changing the contract	181
Types of contracts	182
Indefinite contracts	182
Fixed-term contracts	182
Differential wage	183
Bonus pay	183
Long service awards	183
Job references	183
LAWS ABOUT TERMS AND CONDITIONS OF EMPLOYMENT	184
Wage regulating measures	184
How do you know which law applies to an employee?	185
CHART: Finding out an employee's terms and conditions of employment	185
BASIC CONDITIONS OF EMPLOYMENT ACT (BCEA)	186
Who is covered by the BCEA?	186
People earning above a certain amount	186
Part-time, casual and temporary employees	186
Piece-work	187
Freelance or outsourcing	187
Temporary Employment Services	187
Variation of basic conditions	187
Individual contract of employment	188
Collective bargaining	188
Sectoral determinations	188
Ministerial exemptions	188
Prohibited employment	188
Child labour	188

Forced labour.....	189
Enforcement of the BCEA	189
Summary of provisions in the BCEA	189
Working times and pay.....	189
Flexibility in working hours	190
Payment in kind	191
Deductions	191
Daily and weekly rest periods	192
Leave	192
Annual leave	192
Sick leave	193
Family responsibility leave	193
Maternity leave	193
Unpaid leave	194
Absent without leave	194
Notice	194
Administration	194
Prohibition of victimisation and exploitation	195
COLLECTIVE AGREEMENTS	195
Workplace-based collective agreements.....	196
Enforcement of a workplace-based collective agreement	196
Bargaining Council Agreements	196
How are Bargaining Council Agreements made?.....	196
Enforcement of a Bargaining Council Agreement	197
Settling disputes under a Bargaining Council	197
SECTORAL DETERMINATIONS	197
How are sectoral determinations made?.....	197
Enforcement of a sectoral determination	198
Settling disputes under a sectoral determination.....	198
Summary of the sectoral determination for farmworkers	198
Sample contract of employment for farmworkers	203
Summary of the sectoral determination for domestic workers	205
Sample contract of employment for domestic workers	210
DEREGULATION.....	213
OTHER LAWS THAT APPLY TO	
TERMS AND CONDITIONS IN THE WORKPLACE	213
Employment Equity Act (EQA)	213
Occupational Health and Safety Act (OHSA)	214
Who does the OHSA cover?	214
The employee's duties	214

The employer's duties	214
Reporting accidents or incidents	215
Safety representatives and safety committees	215
Enforcement of the OHSA	215
The Code of Good Practice on the handling of sexual harassment cases.....	215
What is sexual harassment?	215
Sexual harassment as a form of unfair discrimination	216
Test for sexual harassment	216
Sexual harassment policies and procedures	216
Procedures for dealing with complaints of sexual harassment.....	217
When is an employer liable in a case of sexual harassment?.....	217
What is the role of a trade union in dealing with sexual harassment in the workplace?.....	218
The Merchant Shipping Act	218
DISPUTES AND WAYS OF SETTLING DISPUTES	219
What is a dispute?.....	219
Disputes of interest.....	219
Disputes of right	219
The Labour Relations Act	220
Who is covered by the LRA?.....	220
What does the LRA cover?.....	220
Who is an employee?.....	221
Unfair labour practices	221
What steps can be taken if an unfair labour practice is committed?.....	221
DISMISSALS	222
What is a dismissal?.....	222
Automatically unfair dismissals	222
When is a dismissal fair or unfair?.....	223
Substantive fairness	223
Procedural fairness	223
CHART: Is a dismissal unfair?	224
Dismissal for misconduct	224
Fair reasons	224
Fair procedures	225
Dismissal for incapacity.....	226
Fair reasons	226
Fair procedures	226
Retrenchment or redundancy dismissal.....	226
Fair reasons	226
Fair procedures	227
What steps can be taken if there is an unfair dismissal?.....	228

SOLVING DISPUTES UNDER THE LRA	229
Chart: Steps to resolve a labour dispute under the LRA	229
Conciliation by the CCMA or Bargaining Council	230
How to refer the dispute to the right body.....	230
Applying for condonation if the referral is late	230
The conciliation meeting	230
Who can represent employees and employers in a conciliation meeting?.....	231
Successful conciliation	231
What happens if the conciliation agreement is not complied with?	231
Unsuccessful conciliation	231
Arbitration by the CCMA or Bargaining Council	232
What is arbitration?.....	232
How to refer a case for arbitration	232
The arbitration hearing.....	232
Who can represent employees and employers in an arbitration procedure?.....	233
Arbitration appeals	233
Adjudication by the Labour Court	233
What is adjudication?.....	233
How to refer a case for adjudication	233
Who can represent employees and employers in a Labour Court case?	233
Adjudication appeals.....	233
 TAKING INDUSTRIAL ACTION	 234
When is industrial action not permitted?.....	234
What procedures must be followed before industrial action is protected?	234
If an employer unilaterally changes conditions of employment.....	235
Employees' and employer's rights in protected industrial action.....	236
Trade unions	236
What are the aims of trade unions?.....	236
Paying union subscriptions	237
The right of employees to form, join and take part in trade unions	237
Trade union rights in the workplace	237
 SOCIAL SERVICES AND BENEFITS IN THE WORKPLACE	 238
Unemployment Insurance Fund	238
Who is a contributor to the UIF?.....	238
Who is not covered by UIF?.....	238
How do employees become contributors to the UIF?.....	239
How much do employees contribute to the Fund?.....	239
How much do employees get paid when applying for benefits?	239
When is a contributor not entitled to receive benefits?	239

Types of UIF benefits	240
Unemployment benefits	240
Illness benefits	240
Maternity benefits	241
Adoption benefits	241
Dependant's benefits	241
How do employees claim UIF benefits?	242
Claiming unemployment benefits	242
Claiming illness benefits	242
Claiming maternity benefits	243
Claiming adoption benefits	243
Claiming dependant's benefits	243
How to get copies of birth/marriage/death certificates	244
What if the UIF benefits are used up and the employee is still unemployed?	244
What if the application for normal benefits is refused?	245
UIF appeals	245
Further appeals	245
Termination of benefits	245
COMPENSATION FUND	245
When can an employee claim compensation?	246
Who can claim compensation from the Fund?	246
Who contributes to the Fund?	246
When will the Fund not pay compensation?	247
Occupational diseases and injuries	247
Diseases	247
Injuries	247
Motor vehicle accidents while working	247
What types of compensation payment are made?	248
Temporary disability	248
Permanent disability	249
Death benefits	250
Who can claim compensation when an employee dies in the course and scope of duty?	250
Medical expenses	250
Additional compensation	250
Steps to claim disability	251
How is the compensation money paid?	251
Temporary disability	251
Permanent disability	251
Objections and appeals	252

EMPLOYEE'S TAX	252
What is employee's tax?	252
What is SITE?	252
What is PAYE?	252
When must an employee pay tax?	252
How much tax do you pay?	253
What information must you give to employers?	253
Rebates	253
Tax on bonus pay and retrenchment pay	253
Part-time work and casual work	253
Tax assessments	254
PENSION AND PROVIDENT FUNDS	254
How does a pension or provident fund work?	254
Types of funds and benefits	254
Bargaining Council funds	255
Complaints about payments from pension funds	255
The Pension Funds Adjudicator	255
Who can make a complaint to the Pension Funds Adjudicator?	255
Time limits	256
MEDICAL AID SCHEMES FOR EMPLOYEES	256
Advantages and disadvantages of Medical Aid Schemes	256
Medical Schemes Act	256
SKILLS DEVELOPMENT ACT	257
The National Qualifications Framework (NQF)	257
The Skills Development Levy-Grant scheme	257
Paying the Skills Development Levy	257
How are the levies used?	258
Getting a Skills Development Grant	258
Skills Development Facilitators	258
PROBLEMS	
1. Money is deducted from an employee's wages	259
2. Employee wants to claim notice pay and leave pay	259
3. Employee is paid below the minimum wage	260
4. Dismissed employee wants the job back	
– how to apply for reinstatement or compensation	261
5. Retrenchment	263
6. Employee is dismissed for being drunk on duty	
– with no previous record of drunkenness	263
7. Employee is dismissed for being drunk on duty	
– the employee is suffering from alcoholism	264

8. Contract employees are dismissed before the contract is due to terminate	265
9. Contract employees are not paid overtime	265
10. Casual employee is not paid sick leave.....	266
11. Contract employee's contract has not been renewed	266
12. Application for UIF benefits is too late	267
13. Employer does not register employee with the Unemployment Insurance Fund	267
14. Failing to sign the Unemployment register	268
15. Long delay in paying compensation	268
16. Employee does not get the correct amount of compensation money.....	269
17. Injured employee is off work and is not getting paid	270
18. Employee is injured on duty and loses the job	271
19. Employee's compensation has been refused	272
20. Employees develop an occupational disease	272

MODEL LETTERS AND FORMS

Contract of employment	273
Letter of demand to employer for reinstatement.....	277
Letter of demand to employer for notice and leave pay.....	278
Letter to Department of Labour about a notice and leave pay claim	278
Letter of appeal against the refusal to pay UIF	279
Letter to UIF because benefits have not been paid	280
Letter to Compensation Commissioner asking whether the accident was reported	280
Letter to Compensation Commissioner asking for reasons for the delay in paying	281
How to write a complaint to the Pension Funds Adjudicator	281
LRA Form 7.11 – Referring a dispute to the CCMA for resolution	285
Compensation Form WCL3	289

CHECKLISTS

Checklist for a labour problem	291
Checklist to prepare for arbitration.....	291
Checklist to prepare a claim for reinstatement	291
Checklist for problems about UIF	292
Checklist for Compensation problems	292

RESOURCES	683
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Introduction

This chapter covers laws in South Africa which directly affect the working conditions of employees as well as disputes in the workplace and ways of resolving these.

We focus on the following laws that affect employers and employees.

Laws about terms and conditions of employment:

Basic Conditions of Employment Act (No 75 of 1997) (BCEA)

Occupational Health and Safety Act (No 85 of 1993) (OHSA)

Disputes and ways of settling disputes:

Labour Relations Act (No 66 of 1995) (LRA)

Employment Equity Act (No 55 of 1998) (EEA)

Employee social welfare and benefits

Unemployment Insurance Contributions Act (No 63 of 2001)

Compensation for Occupational Injuries and Diseases Act
(No 130 of 1993) (COIDA)

Skills Development Act (No 97 of 1998)

Skills Development Levies Act (No 9 of 1999)

Medical Schemes Act (No 131 of 1998)

The contract of employment

If you agree to work for someone, and that person agrees to pay you for this work, then you and the employer have entered into a **contract of employment**. You are called the employee.

The type of work that you must do, hours of work, wages, a place to live (where appropriate), and so on can all be part of your agreement with your employer. These are called terms and conditions of employment. They are **express** terms of the contract.

Even if you and the employer did not talk about terms and conditions of employment, for example, taking annual leave, and it is the **custom** that all employees take annual leave, then you can also take annual leave. This is part of your contract, even if you did not talk about it. These are **implied** terms of the contract.

The law says that a contract does not have to be in writing. If two people speak and they agree about the contract, then this contract is called a verbal contract. A verbal contract is also legal and enforceable.

A **written** contract is better. If all the conditions of the contract are written on a piece of paper, and the employer signs the paper, then you have proof of what was agreed. This is useful if ever there is a dispute about what was agreed between you and the employer.

Section 29 of the *Basic Conditions of Employment Act* says that, except for employees working less than 24 hours per month and employers who employ less than 5 people, the employer must give employees certain particulars in writing about the job. These particulars include:

- A description of the job
- The hours that the employee will be expected to work
- Ordinary and overtime rates of payment, including payment in kind (for example accommodation) and its value
- Any deductions to be made
- How much leave the employee will get
- The notice period
- The name and address of the employer

- The date of payment

If an employee can't read, the particulars must be explained in a language the employee understands.

If you have a contract, but you do not do what was agreed in the contract, then you break the contract. The law says that if one person breaks a contract, then the other person can use the law to force that person to do what was agreed or they can stop and withdraw from the contract. Breaking a contract is also called a **breach of contract**. (See s29(1)(a)-(p) of the *Basic Conditions of Employment Act* for particulars of employment that must be provided in writing to employees when they start their employment with someone)

A contract of employment must comply with terms and conditions of employment in the *Basic Conditions of Employment Act (BCEA)*, Bargaining Council Agreement or collective agreement or Sectoral Determination (depending on what the employee is covered by), and any other laws which protect employees such as the *Labour Relations Act* and the *Occupational Health and Safety Act*. If a contract breaks any of these protective laws, it is not enforceable unless the conditions are more favourable to the employee.

If an employee is covered by the BCEA, terms and conditions of employment in the BCEA override those in any contract of employment which are less favourable to the employee than those in the BCEA. In other words the contract can not be less favourable to the employee than the conditions laid down in the law.

(See page 273 *Model contract of employment*)

HOW CAN A CONTRACT OF EMPLOYMENT BE USED?

If the employer breaks a contract of employment, then an employee can sue the employer in a civil court case for breach of contract or can refer the dispute to the Department of Labour (for example if you have not been paid your annual leave or overtime payment). It is easier to prove that an employer broke a contract of employment if the contract is in writing. If the contract is verbal, it is always better to have witnesses. If you don't have witnesses, then it is the employee's word against the employer's word. (See page 146 *Civil claims*)

The employee is always entitled to at least the terms and conditions in the *Basic Conditions of Employment Act (BCEA)*. If the breach of contract goes against a term or condition in the BCEA then an employee can go to the Department of Labour and lay a complaint. The Department will investigate the complaint and if it is found that the employer has not followed the contract of employment, then the Inspector may issue a Compliance Order which tells the employer to comply with the BCEA. This is a much easier and cheaper way to deal with problems that fall under the BCEA.

CHANGING THE CONTRACT

An employer can change the contract after proper negotiation even if the employee does not agree to the changes. A change in a contract is like a new contract. To change the contract, the employer must give notice of the change to the employee and must attempt to negotiate the new terms and conditions with the employee.

If the employer and employee/s cannot agree about the changes in the contract, then the employer may decide to go ahead and introduce the changes. If the employer then just accepts the new conditions and goes on working, then the new conditions become part of the contract.

If the employee does not agree to the changes, then he or she can:

- Refer a dispute to the CCMA or Bargaining Council in terms of section 64(4) of the *Labour Relations Act*. The employee can ask the CCMA to issue a notice to instruct the employer to restore the terms and conditions which applied before the change took place. The employer must comply with this notice within 48 hours of receiving it.
- Refer a dispute to the CCMA or the Bargaining Council (if one is in that industry)

for conciliation. If conciliation fails, then that employee and other employees covered by the dispute may go on strike after giving the employer 48 hours notice of the strike. Remember, individual employees may not strike but can only do so as a collective group. Individuals should refer a dispute to arbitration where an outcome will be adjudged.

- Refuse to accept the changes. If the employer then dismisses the employee it might well be an automatically unfair dismissal, as an employer is not able to unilaterally amend the contract of an employee or employees.
- Choose to stop working for the employer. If the employee was forced to resign, or retrenched or dismissed as a means to get the employee to accept the changes, it will be considered an automatically unfair dismissal. Employers may not use the threat of dismissal as a means to coercing an employee into agreeing to a new contract. (*See page 229 Solving disputes under the LRA*)

NOTE

Where a registered trade union has signed a collective agreement with the employer and where the employer changes this agreement without the agreement of the union, the union and its members can go to the CCMA or the Bargaining Council, if applicable, to claim that the employer has broken the collective agreement. This referral of the dispute will be in terms of Section 24 of the Labour Relations Act.

TYPES OF CONTRACTS

There are two types of contracts: **indefinite** and **fixed-term** (temporary) contracts.

INDEFINITE CONTRACTS

Most employment contracts are indefinite contracts.

This means that when an employee starts working for the employer, no-one knows when the contract will end but it is expected that the employment will continue until the employee reaches the retirement age of the company.

An indefinite contract can only be ended in the following ways:

- By dismissal or termination of the contract of employment as a result of misconduct of the employee, or the incapacity of the employee or on account of retrenchment
- When the employee reaches the normal retirement age laid down by the company or the industry
- By the death of the employee.

FIXED-TERM CONTRACTS

If the employee and the employer both agree at the start of the contract that the contract is going to end within a fixed period or when certain work is completed, then it is a fixed-term contract.

Contract employees and **seasonal employees** are two kinds of employees with fixed-term contracts.

It often happens, particularly on farms, that the employer goes to other areas to get people to work on the farm on a temporary basis. The employees then leave their homes and go to work on this farm. These employees may be referred to as **contract employees**. Usually the farmer and these employees have a fixed term contract for a specified time. If an employee has a contract with the farmer, then the conditions of that contract are the conditions of employment.

The conditions of the agreed upon contract may not be less favourable than those of permanent employees who perform similar work. Equal pay for equal work has become a large focus of the modern contract with laws as well as the courts emphasising its importance. Essentially, if employees work for three months or longer, they may not be treated on the whole less favourably than that of permanent employees. In certain industries, such as the retail industry, the three month period does not apply.

Some farms have times when extra employees are needed. These times are called seasons. If an employee only works on the farm for a season, then he or she is called a **seasonal employee**. The seasonal employee knows when the contract starts and when the contract ends.

For both contract employees and seasonal employees, the employer must pay employees for the full contract time, even if there is no more work for the employees to do. If an employee's contract is for one year, then the employer must pay the employee for the full year, unless the contract ends because of the employee's fault. If the contract is for one season, then the employer must pay the employee for the whole season.

The employer cannot stop the fixed term contract earlier than the contracted period unless the contract makes provision for this.

DIFFERENTIAL WAGE

If the employer tells an employee to do someone else's job in a higher category of pay than the employee's own job, then the employee should get the higher wage if he/she performs this work for an extended number of days. ("Equal pay for work of Equal value").

An employer can ask an employee to do work below his or her own pay category, but the employee should not get paid less than his or her own normal wage and also provided the employer is not doing this to make the employee's life at work intolerable.

Section 6 – particularly subsection 4 – of the BCEA deals with equal pay for equal work with grievances for unfair discrimination being an option if a commissioner or the courts deem the employee to be correct.

BONUS PAY

'Bonus pay' means money paid to employees which is over and above their wages and overtime money. The law does not say that an employer must pay a bonus to employees although some Bargaining Council Agreements do. This is 'extra' money. It is usually paid out at the end of the year, for example, for good performance during the year, or for targets reached in production of goods. Bonuses should always be paid equally and fairly to employees with similar productivity – with no preference being given to certain employees.

Bonus pay must be paid if:

- An employer gave a bonus to the employees at the end of every year in the past, the employer created an 'expectation' in the employees that they will get a bonus every year. And it has become the custom to get the bonus. The employees then have a right to demand the same bonus every year. If the employer suddenly decides not to give a bonus, the employees can claim the bonus as a custom and practice.
- It says in a contract of employment or a collective agreement that the employee will get a bonus. The employer must pay the bonus as agreed (unless it depends on the employee doing something which the employee did not do).

LONG SERVICE AWARDS

The law does not say that employers must pay long service money to employees who have worked for a long time for the same company. If the employee retires, it is up to the employer to decide whether to give any long service money to the employee.

JOB REFERENCES

A job reference letter is a letter from an ex-employer saying whether the employer thought the employee was a good employee or not. The *Basic Conditions of Employment Act (BCEA)* says employees are entitled to a written certificate of service when the employee stops working for that employer. The **certificate of service** sets out the full name of the employer and the employee, the job/s that the

employee was doing, the date that the employee began working, the date that the employee ended work, and the wage at the time that the job ended, including payment in kind. (See S 42(a)–(g) of the *Basic Conditions of Employment Act* for details on what has to be included on the *Certificate of Service*)

Laws about terms and conditions of employment

There are different laws about conditions of employment. Employees' terms and conditions of employment may be covered by:

- Centralised collective agreements, like Bargaining Council Agreements, under the *Labour Relations Act* (where applicable) (See page 195 *Collective agreements*)
- Sectoral Determinations under the *Basic Conditions of Employment Act* (BCEA), or Wage Determinations under the *Wage Act* (where applicable) (See page 197 *Sectoral determinations*)
- Special exceptions to centralised collective agreements, sectoral determinations, or the BCEA, made by the Minister of Labour (called deregulation) (See page 213 *Deregulation*)
- Workplace-based collective agreements under the BCEA (See page 195 *Collective agreements*)
- An individual agreement between an employee and employer – the contract of employment (See page 180 *The contract of employment*)
- *Basic Conditions of Employment Act* (See page 189 *Summary of provisions in the BCEA*)

The *Merchant Shipping Act* covers conditions of employment for employees who are at sea within South Africa's territorial waters while members of the National Defence Force, the National Intelligence Agency, and the South African Secret Service are covered by different laws. The *Occupational Health and Safety Act* gives employees rights in health and safety at work. (See page 218 *The Merchant Shipping Act*; page 214 *Occupational Health and Safety Act*)

WAGE REGULATING MEASURES

Collective agreements, Bargaining Council Agreements (BCAs), Wage Determinations and sectoral determinations (S/WDs) which regulate terms and conditions of employment are commonly called wage regulating measures. They contain different conditions of employment for different employees in different sectors. In other words all these agreements and determinations talk about a period of notice, but in one wage determination the notice period may be one week while in another it may be two weeks.

Below is a list of the more common aspects relating to conditions of employment which appear in all wage regulating measures:

- **Area and scope** – defines the geographical area where the BCA or S/WD applies, and describes the type of work covered by the BCA or S/WD
- **Definitions** – defines the different categories of employees, including casual employees
- **Remuneration** – describes minimum wages for different categories of employees and includes monies received by the employee excluding ex gratia payments or bonuses paid at the discretion of the company
- **Payment of remuneration** – how and when employees should be paid their wages
- **Deductions** – from an employee's wage
- **Hours of work and pay** – this includes public holidays, Sundays, etc
- **Annual leave and sick leave**
- **Piece work and commission work** – Piece-work means that an employee is paid for the number of items produced and not for the hours worked
- **Termination of contract of employment** – how much notice an employer must give or be given

- **Prohibition of employment** – for example, pregnant women and children may not be allowed to do certain work
- **Dispute resolution** – the *Labour Relations Act* allows employees and employers to collectively agree to dispute resolution procedures that differ from those in the Act.

If there are any particular terms or conditions of employment that are not specified by a Bargaining Council Agreement or a sectoral determination, then those terms or conditions of employment in the *Basic Conditions of Employment Act* will apply to employees.

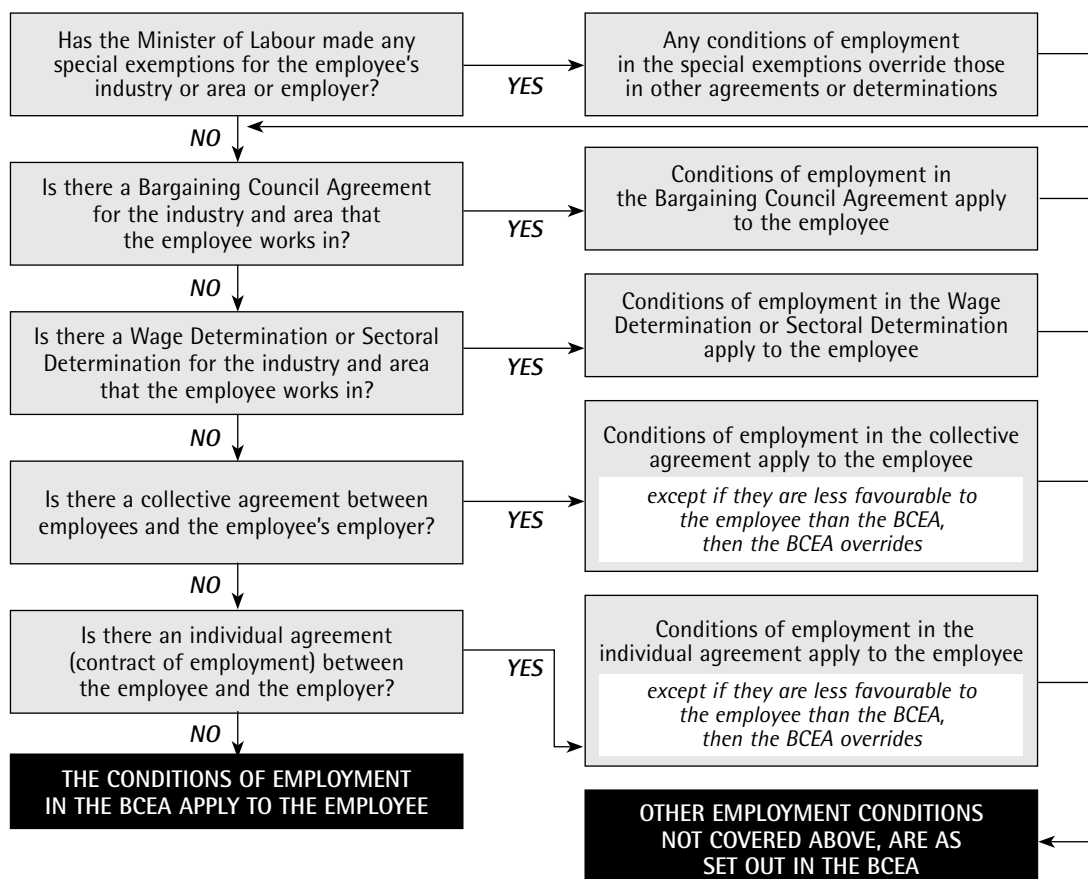
HOW DO YOU KNOW WHICH LAW APPLIES TO AN EMPLOYEE?

All employees will fall under one of the above laws about conditions of employment. Many employees fall under more than one of these laws.

The laws work in order of priority. For example, if a Bargaining Council Agreement (or other centralised collective agreement) covers the work done by an employee, then that Agreement applies to that employee. If there is no Bargaining Council Agreement, then you must see whether a sectoral determination or Wage Determination applies. If no Bargaining Council Agreement or sectoral/Wage Determination applies, then the BCEA will apply, unless they are specifically excluded by the BCEA.

An individual contract of employment may override the *Basic Conditions of Employment Act* provided it is definitely more advantageous for the employee and provided it does not affect certain 'core' rights which are identified in the *Basic Conditions of Employment Act*. These core rights which cannot be changed by agreement, include normal working hours, regulations applying to maternity leave, sick leave and annual leave, and the prohibition against the employment of children amongst others.

FINDING OUT AN EMPLOYEE'S TERMS & CONDITIONS OF EMPLOYMENT



Basic Conditions of Employment Act (BCEA)

WHO IS COVERED BY THE BCEA?

All employees are covered by the *Basic Conditions of Employment Act (No. 75 of 1997)* except the following:

- Members of the National Defence Force, the National Intelligence Agency, and the South African Secret Service
- Unpaid voluntary employees who do work for a charitable organisation
- Employees who work for an employer for less than 24 hours a month
- Employees on vessels at sea where the *Merchant Shipping Act (1951)* is applicable

Certain special provisions apply to companies employing fewer than ten employees.

PEOPLE EARNING ABOVE A CERTAIN AMOUNT

If a person is earning a gross salary of more than R172 000 per year (or R14 333 per month) then the following sections of the BCEA will **not** apply to them:

- Section 9: limitations on ordinary hours of work
- Section 10: overtime work and payment
- Section 11: compressed working week
- Section 12: averaging of hours of work
- Section 14: provision of meal intervals
- Section 15: daily and weekly rest period
- Section 16: pay for work on sundays
- Section 17: night work
- Section 18(3): Public holidays (where an employee may work on a public holiday on which he/she would not have ordinarily worked)

(See page 189 Summary of provisions in the BCEA)

PART-TIME, CASUAL AND TEMPORARY EMPLOYEES

A **part-time employee** is permanently employed, but only works part of a working day or working week. A **casual employee** is employed on a short term basis, but only works part of a working week. If they work fewer than 25 hours within a week, the BCEA does not apply to them. An employee who works more than 24 hours during any month is now fully covered by the provisions of the BCEA including provisions for leave and sick pay, overtime and public holiday and Sunday rates. A **temporary employee** is not permanently employed, but only works for a specific length of time or until a specific job is completed. This is often referred to as a 'fixed term contract' of employment. An employer may try to circumvent a contract of employment by taking on an employee in a 'fixed term' capacity, but if the employee meets the definition of what is an employee, then they cannot be subjected to unfair labour practices. An employer may try to circumvent a contract of employment by taking on an employee in a 'fixed term' capacity, but if the employee meets the definition of what is an employee, then they cannot be subjected to unfair labour practices. (See page 182 Fixed term contracts, page 221 Who is an employee?)

In most cases, part-time, casual and temporary employees will be entitled to the same benefits as other employees, but on a pro rata basis. They are excluded from some provisions of the BCEA, for example, they are not entitled to family responsibility leave, but can claim it if they believe that it is part of being treated as an equal to employees within the same or similar job.

Generally the temporary or casual employee will be entitled to one days annual leave for every 17 days worked and one days sick leave for every 26 days worked for the same employer.

PIECE WORK

Piece work means that an employee is not paid according to the hours that he or she works. The employee is paid for the number of items produced. For example, seasonal farmworkers may be paid for the amount of fruit they pick provided they earn at least the minimum wage laid down for that industry or sector.

FREELANCE OR OUTSOURCING

An employer may pay someone who is not an employee in the company, to do work. This person is not an employee, but is running their own small business and is often referred to as an independent contractor. The contractor is generally paid for producing an agreed level of work or providing a service and is not supervised or controlled by the employer. The independent contractor is not covered by the BCEA.

EXAMPLE

Sakumsi cuts patterns for dresses. He pays Trevor to sew the pieces together. Trevor works from his house. Trevor is not employed by Sakumsi, and Sakumsi does not have to make sure that Trevor's pay and working conditions are according to the BCEA.

TEMPORARY EMPLOYMENT SERVICES

One of the amendments to labour broking or part time workers makes provision for temporary employment service (TES) – employees who earn below the threshold (currently R205,433.30 per year) – to be deemed permanent employees of the client after a continuous period of 3 months' employment. The change comes in the joint and several liability which both the employer and the TES provider (labour broker) take on after the 3 month window period. This means that both the employer as well as the TES provider can be taken to the CCMA if equal treatment is not applied.

VARIATION OF BASIC CONDITIONS

Certain rights in the BCEA are fundamental and will not be able to be varied (for example, the prohibition on employing child labour).

In collective agreements, for example Bargaining Council Agreements, employees may agree to conditions that are different to conditions in the BCEA, as long as the agreement is consistent with the purpose of the BCEA and does not give them less protection than they had under the BCEA, nor reduce an employee's annual leave (to less than 2 weeks), nor remove maternity leave or sick leave. (See s49(1) (a)–(f) of the BCEA)

Employees may be covered by the BCEA, but have terms and conditions of employment which vary from those in the BCEA. The BCEA allows for the following ways of varying basic conditions of employment:

- The individual employment contract between an employee and employer (although the scope for variation by this method is extremely limited)
- Collective bargaining and agreement at a bargaining council
- Sectoral determinations
- The labour minister can make special exceptions

So, an employee who is covered by the BCEA has the conditions of employment as specified in the Act, unless:

- The employee has an individual agreement (employment contract) with the employer which is more favourable than the terms of the Basic Conditions of Employment Act

- The employee is part of a collective agreement which has been agreed with a Trade Union and the employer
- There is a Sectoral Determination (like a Wage Determination) or a Ministerial exemption, which overrides the conditions in the BCEA.

(See page 185 Chart: Finding out an employee's terms and conditions of employment)

INDIVIDUAL CONTRACT OF EMPLOYMENT

The contract may have different conditions to those in the BCEA, as long as they are more favourable to the employee than the BCEA. The BCEA sets out the minimum conditions of employment. Any contract of employment must at least comply with all its provisions. If a contract breaks any part of the BCEA, (and a variation order has not been obtained from the Department of Labour), it is not enforceable and the BCEA conditions override the conditions in the contract.

(See page 180 The contract of employment)

COLLECTIVE BARGAINING

The BCEA and the Labour Relations Act aim to promote collective bargaining, and therefore allow variation of certain specified conditions through collective bargaining between an employer and employees who work for that employer. They can reach a collective agreement.

A collective agreement under the BCEA may have different conditions to those in the BCEA, as long as they are more favourable to the employee than the BCEA. If an agreement breaks any part of the BCEA, it is not enforceable and the BCEA conditions override the conditions in the agreement.

There are also centralised agreements (Bargaining Council Agreements) under the *Labour Relations Act*. In centralised collective bargaining, employees may agree to conditions that are different to BCEA conditions. This may be because in exchange they gained something else they wanted more.

(See page 194 Collective agreements)

SECTORAL DETERMINATIONS

The BCEA provides for the establishment of an Employment Conditions Commission. They investigate conditions in a particular industry or sector and make recommendations to the Minister of Labour. When the Minister approves a recommendation from the Commission, this is published in the Government Gazette as a Wage determination or Sectoral determination.

(See page 198 Summary of the Sectoral determination for farmworkers and page 205 Summary of the Sectoral determination for domestic workers)

MINISTERIAL EXEMPTIONS

The Minister of Labour may override the provisions of the BCEA for particular groups of employees.

PROHIBITED EMPLOYMENT

CHILD LABOUR

- Children below the age of 15 years are not permitted to work.
- Children between the ages of 15 and 18 years may not perform work that places their well-being, education, or physical and mental health at risk.

The Department of Labour and state prosecutor will be primarily responsible for enforcing the rules about child labour. To employ children is a criminal offence and comes with a jail sentence of up to 6 years.

FORCED LABOUR

No-one may force employees to work (for example, to perform work because the employee made a mistake and produced unacceptable work). This is a criminal offence.

ENFORCEMENT OF THE BCEA

The Department of Labour is responsible for enforcing the BCEA. The department appoints inspectors who have wide powers to make sure employers obey the Act.

An employee whose employer is not obeying the BCEA can complain to the Department of Labour (not the CCMA). A labour inspector will investigate. An inspector no longer needs to get a written undertaking from an employer who he/she believes is defaulting, and can now issue a compliance order which is enforceable through the Labour Court.

The inspector may issue a 'compliance order' to employers who do not obey the BCEA. If the employer ignores the compliance order, the Department of Labour must refer the matter to the Labour Court to force the employer to obey. Employers are also entitled to appeal against compliance orders to the Director General of Labour or the Labour Court.

If an employee and employer are in a dispute about a matter covered by the *Labour Relations Act* and they are busy trying to resolve the dispute at the Commission for Conciliation, Mediation and Arbitration (CCMA), then the CCMA can also order the employer to pay money that is owed to the employee in terms of the employee's BCEA rights. For example, if a dismissal is being contested at the CCMA, the CCMA will be able to order an employer to pay outstanding leave owed to the employee. The law is made like this just to simplify procedures and to avoid the matter having to go to both the Department of Labour and the CCMA (and possibly the courts).

Employees can also make their own civil case in the Magistrate's Court and the Small Claims Court to get money that is owing to them.

SUMMARY OF PROVISIONS IN THE BCEA

WORKING TIMES AND PAY

- The maximum hours of work is 45 hours **per week** for ordinary pay.
(See *s9 of the BCEA*)
- The maximum length of a working day is 9 hours if the employee works a 5-day week, but 8 hours a day if the employee works a 6-day week. Where the working week is compressed (squashed) into fewer days, then shifts of longer hours may be introduced with the employee's consent. For example, an employee can agree to work shifts of 12 hours over 4 working days, where overtime is only paid once more than 45 hours have been worked.
- Overtime is voluntary. No employee may work more than 10 hours of overtime per week. Overtime must be paid per hour of overtime worked, at a rate of one and a half times the employee's ordinary hourly wage. In addition, no employee may work more than 3 hours overtime in any day (including overtime on that day).

Even though overtime is voluntary, if the employee agreed in the original contract to work over time when necessary, then reasonable overtime must be worked. If the employee refuses to work overtime then he/she is in breach of the contract and the employer can take disciplinary action against the employee.

An employer who is employing less than 10 employees only needs to pay overtime at time and a third of the normal wage. The employer can also agree with the employee to work up to 15 hours overtime during a week as against the normal ten hours.

NOTE

While individual overtime is voluntary (subject to an agreement), a collective or joint refusal by a number of employees to work normal overtime will probably constitute a strike or industrial action.

- Payment for Sunday work must be the greater of:
 - either, double the normal hourly rate for the amount of Sunday hours worked, OR
 - one full day's pay, even if the employee only worked three hours that Sunday.If it is normally part of an employee's normal shift and job to work on a Sunday, then s/he must be paid at a rate of time and a half his/her normal hourly rate.
- Workers are entitled to be paid for **public holidays** which fall on a day that they normally would have worked – even though they will be off and not working on the public holiday. This includes employees who may be on strike.
- An employee can agree to work on a public holiday, but this is voluntary. If an employee does agree to work on a public holiday, he must get two ordinary working days off in exchange or he must be paid double the normal hourly rate for the amount of hours worked on the public holiday. Where a public holiday falls on a Sunday, the following Monday, is regarded as a public holiday.

The public holidays are:

1 January	New Year's Day
21 March	Human Rights Day
Variable	Good Friday
Variable	Family Day
27 April	Freedom Day
1 May	Workers' Day
16 June	Youth Day
9 August	National Women's Day
24 September	Heritage Day
16 December	Day of Reconciliation
25 December	Christmas Day
26 December	Day of Goodwill

- **Night work** after 6 p.m. and before 6 a.m. is voluntary. Workers must be paid an extra 'night work allowance' or have their working hours reduced. Transport must be available for the workers to get from their homes to work and back. The law is unclear as to who must 'provide or pay' for such transport but at least, there must be transport available so that the employee can get home at late or early hours.

FLEXIBILITY IN WORKING HOURS

The BCEA allows for some flexibility in the arrangement of working hours, by agreement between the employer and employees (collective agreement) or one employee (individual agreement):

- **Compressed working week by collective or individual agreement**
Employees can work up to 12 hours of normal work on any day without receiving overtime pay. But the employees may still not work more than 45 normal hours per week and may not work on more than 5 days in a week. Any time worked beyond 45 hours in the week should be paid at overtime rates of time-and-a-half.
- **Averaging of working hours by collective agreement only**
Averaging means employees can agree to work longer hours than the BCEA usually allows, if they get the same number of extra hours off at a later time. This would for example mean that employees could agree to work longer hours in one week for normal pay, if they work reduced hours for normal pay the

following week. But the employees may still not work more than an average of 45 ordinary hours per week during this period. Also the agreement cannot go on for longer than 4 months. Where reference is made to a collective agreement, then this agreement should be made through the employees' trade union.

PAYMENT IN KIND

Wages can be paid partly in kind if the law provides for this. Payment in kind means that an employer pays an employee his or her wage through giving him or her housing, use of land or food, as well as money.

However, this can only be done if the Minister of Labour decides that payment in kind should apply to a certain sector. The Minister will also decide what formula to use to determine the value of the payment in kind.

In the event of a strike, an employer may not withhold payment in kind and is obligated to ensure its continuation. An employer should then claim back from the employees after agreement has been reached. The labour court may be approached in the event of a dispute.

DEDUCTIONS

Deductions from wages (other than those required by law) are not permitted without the written consent of the employee.

The **deductions required by law** which an employer makes from the wages of an employee are as follows:

- Unemployment Insurance Fund (UIF)
- SITE (tax)
- Any deduction ordered by a court

The **lawful deductions** which an employer can make from the wages of an employee, if the employee instructs the employer in writing to make the deduction, are as follows:

- Trade union subscriptions
- Medical aid contributions
- Pension or provident fund
- Money to pay back a housing loan or other loan from the employer
- Money for food and accommodation
- For loss or damages suffered at work provided the employee has been given a hearing to explain the facts and has agreed in writing to such deduction. (Section 34 of the BCEA)

The amount that can be deducted can be equal to (but not more than) 25% of the normal wage to offset losses.

Often employers also make **unlawful deductions** from employees' wages. Examples are when:

- The employer says there were shortages in a till and the employee has to pay back the shortages
- The employee breaks something at work
- The employee owes the employer money, but did not agree that the amount owing should be deducted
- The employee is off sick and the employer deducts money for the days not worked
- The employee is absent from work without leave, for example, family responsibility leave.

If an employer wants to deduct a fine from an employee's wage, to compensate the employer for loss or damage, the employer can only deduct the fine if:

- The loss/damage happened during the 'course and scope of employment'
- The employee was at fault
- A fair hearing was held to give the employee a chance to state her or his case
- The employer does not deduct more than the actual value of the loss or damage
- The total amount deducted is no more than 25% of the employee's wages
- The employee gives consent in writing

(See page 259 Problem 1: Money is deducted from an employee's wages)

DAILY AND WEEKLY REST PERIODS

- No employee's hours of work may be spread over more than 12 hours per day. ('Spread over' means from the start of work to the end of work, including any breaks for meals or rest and any overtime.)
- A rest period of 1 hour is required after every 5 hours worked. This can be reduced to 30 minutes, if the employee and employer agree in writing.
- Every employee is entitled to a daily rest period of 12 hours from the end of work on one day to the start of work on the following day. This rest period can be reduced to 10 hours if an employee lives on the premises and gets a meal break of at least 3 hours (this may be relevant to domestic workers, caretakers, farmworkers, and so on).
- Every employee is entitled to a weekly rest period of 36 continuous hours. For many employees, this is over the weekend.
- An agreement in writing between the employer and employee may reduce the meal interval to not less than 30 minutes or do away with a meal interval if the employee works less than 6 hours on a day.

The agreement can also provide for a rest period of at least 60 consecutive hours (hours in a row) every two weeks.

The BCEA makes no provision for tea intervals although it is common for the employer to grant two tea intervals per shift. These intervals are normally deemed to be 'paid time'.

LEAVE

Leave can be annual (yearly) leave, sick leave, maternity leave, family responsibility leave, or unpaid leave.

ANNUAL LEAVE

- Every employee is entitled to 21 consecutive days paid leave per year. This is the equivalent of three weeks time off and for the employee who works 'a five day week' this leave amounts to fifteen working days. An employee who normally works six days every week, is entitled to eighteen working days leave which is also twenty one consecutive days of leave.
- The employee is entitled to take 21 days all in one go, but can choose to use the annual leave to take occasional days off work. The employer then deducts these days of occasional leave that an employee took during the year from the annual leave days.
- Annual leave must be taken within 6 months of the end of an annual leave cycle (a year's work).
- If the employee is off work on any other kind of leave, these days do not count as part of annual leave. Another way of saying this is that annual leave cannot be taken at the same time as sick leave, family responsibility leave or maternity leave.

- If the leave period covers a public holiday, then the public holiday does not count as part of the employee's leave and the employee should be given an extra days leave. (Paid public holidays are: 1 January New Year's Day, 21 March Human Rights Day, Good Friday, Family Day, 27 April Freedom Day, 1 May Employees' Day, 16 June Youth Day, 9 August National Women's Day, 24 September Heritage Day, 16 December Day of Reconciliation, 25 December Christmas Day, 26 December Day of Goodwill.)
- Annual leave cannot be taken at the same time as the notice period.
- Leave pay is not a bonus on top of normal pay. It simply means that an employee gets a holiday every year, and gets normal pay for those days. If an employee doesn't take leave, or all the leave, the employer will not pay out leave pay instead of leave unless specified through agreement.
- If an employee leaves a job without having taken all the leave that is due to them, the employee must be paid for the days of leave that they have not taken. This is called pro rata leave pay.

(See page 259 Problem 2: Employee wants to claim notice pay and leave pay)

SICK LEAVE

- A permanent employee is entitled to paid sick leave of 30 days over any 3-year cycle (36 days if the employee works a 6-day week). This amounts to a 6 week period over 3 years and may not be broken down into two weeks per year. During the first 6 months that an employee works for an employer, s/he gets 1 day paid sick leave for every 26 days worked. Once all these paid sick leave days are used up, the employer does not have to pay the employee when s/he is off sick.
- Only an employee who works more than 24 hours during any month earns sick leave and this is on the basis of one days leave for every 26 days worked.
- Seasonal or temporary employees are entitled to 1 day's sick leave for every 26 days worked over the first 6-month cycle.
- Employees who are sick for more than 2 days, or are sick on two separate occasions within an 8 week cycle may be required to produce a doctor's certificate. If an employee lives on the premises and it is difficult for him/her to get to a doctor (for example, in rural areas), the employee does not have to produce a certificate unless the employer gives the employee reasonable assistance to get the certificate.
- Sick leave pay is not a bonus on top of normal pay. It simply means that if an employee is genuinely sick and has to take time off work, the employer must pay the employee up to a certain number of days. For example, if a waitress in a restaurant only takes 3 days sick leave this year, the employer does not owe her the money for the remaining sick leave days at the end of the year.

FAMILY RESPONSIBILITY LEAVE

Every employee with more than 4 months service with an employer, and who works on more than 4 days a week, is entitled to 3 days paid family responsibility leave per year. This can be taken if a direct family member dies, (this includes a wife or husband or a life partner, the employee's parent, child, adopted child, grandchild or brother or sister) or when the employee's child is born or if the child is ill. A total of three days is allocated for this kind of leave and not three days for each event. An employee may break these days up, e.g an employee may take half a day off to attend to a child that may be sick at school. Additionally, family responsibility leave allowance lapses at the end of the financial year and is not automatically carried over.

MATERNITY LEAVE

This period of maternity leave is unpaid and the employee can, if she wishes, go on maternity leave four weeks before the expected date of birth, and stay off work for another three months after the child is born.

Any leave taken by a mother due to the illness of the baby, following soon after its birth, will be considered maternity leave rather than family responsibility leave.

If the mother wants to come back to work earlier than six weeks after her child has been born, she can do this provided a doctor has given a certificate saying that this is safe for the mother to do. *(See page 241 Maternity benefits)*

UNPAID LEAVE

An employer may agree to let an employee take extra days of annual leave, or the employee may be sick for longer than the paid sick leave. Then the employer does not have to pay the employee for these days and this is known as Unpaid Leave.

ABSENT WITHOUT LEAVE

If a employee takes leave without getting permission from the employer and is not sick, the employer does not have to pay the employee for the time taken off. If the employee takes off many days in a row without permission and without communicating with the employer (normally more than 4 consecutive days), the employer may presume that the employee has deserted (left without giving notice) his or her employment. The employer may employ someone else to do the job. In this case the employer may dismiss the employee and will not be required to give the employee notice. But if the worker returns, fair dismissal rules must be followed.

Employers should, in cases of extended absenteeism, always attempt to genuinely contact the employee, should always hold a disciplinary hearing in their absence and should focus the need of replacement on a business imperative based on objectifiable facts.

NOTICE

- During the first six months of employment, employees will be entitled to at least 1 week's notice of the termination of their services.
- After the first six months, but during the first year of employment, employees will be entitled to 2 week's notice.
- If they have worked for more than one year, employees are entitled to 4 week's notice.
- If an employment contract has a longer period of notice than the BCEA, the longer notice must be given and it must be the same for both the employee and the employer.
- Notice works both ways! If an employee resigns without giving the employer the correct amount of notice, for example one week, the employer can claim one week's pay from the employee. *(See page 222 Dismissals)*
- Notice must be in writing.
- Neither the employer nor the employee can give notice while the employee is on leave.
- Farmworkers and domestic workers who have been employed for more than 6 months are entitled to 4 weeks notice.

(See page 259 Problem 2: Employee wants to claim notice pay and leave pay)

All employees are entitled to a written **certificate of service** when the employee stops working for that employer. The certificate of service sets out the full name of the employer and the employee, the job/s that the employee was doing, the date that the employee began working and the date that the work ended and the wage at the time that the job ended, including payment in kind.

ADMINISTRATION

Except for domestic workers or employees who work less than 24 hours a month, when the job starts, the employer must give the employee written particulars about

the job, including:

- A description of the job
- The hours that the employee will be expected to work
- Ordinary and overtime rates of payment, including payment in kind and its value
- Any deductions to be made
- How much leave the employee will get
- The notice period

This document is like a contract of employment, but the employee doesn't have to sign it. If an employee can't read, the particulars must be explained in a language the employee understands. An employer who employs fewer than 5 employees does not have to provide the above details.

The BCEA says an employer must hand the employee his or her wages with certain details on a payslip, including:

- The period for which the employee is being paid
- The number of overtime hours worked
- The number of hours worked on a Sunday or public holiday
- The wages due to the employee (both normal and overtime)
- The amount and reason for any deductions made for tax, pension, UIF and so on
- The actual amount paid

The BCEA says the employers must keep the following records:

- The time worked by each employee
- The wages paid to each employee

PROHIBITION OF VICTIMISATION AND EXPLOITATION

An employer may not victimise, or discriminate against, an employee who refuses to do something that is against the BCEA. For example, if an employee says she cannot work overtime because her baby is sick at home, the employer cannot dismiss her, because the BCEA says that an employer cannot make an employee work overtime without the employee's consent.

Collective agreements

Collective bargaining is where employees, normally represented by a trade union and employer/s negotiate with each other about terms and conditions of employment in order to reach a collective agreement. The collective agreement may have different conditions to those in the *Basic Conditions of Employment Act (BCEA)*.

A collective agreement overrides any individual contract of employment. Collective agreements can be of two kinds:

- The BCEA allows variation of certain specified conditions in the BCEA through collective bargaining between a group of employees represented by a registered union working for the same employer (usually at one workplace) and the employer.
- The *Labour Relations Act* allows centralised collective bargaining between groups of employees in the same industry or sector and employers in that industry or sector. They draw up a Bargaining Council Agreement which businesses covered by that agreement in that sector have to follow.
- The Act also allows for a Collective Agreement to be entered into within an organisation between a registered trade union and the employer.

WORKPLACE-BASED COLLECTIVE AGREEMENTS

A group of employees working for the same employer (usually at one workplace) and the employer negotiate and make a collective agreement. The collective agreement covers terms and conditions of employment for employees working for that employer.

The BCEA says what things employees and employers are free to make collective agreements about. For example, employees and their employer cannot collectively agree that child labour will be allowed. Certain core rights can only be altered if they are deemed to be more favourable than what the law allows. These include normal working hours (45 hours) maternity leave, night work provisions etc.

A workplace-based agreement may have different conditions to those in the BCEA, as long as they are more favourable to the employee than the BCEA. The BCEA sets out the minimum conditions of employment. If an agreement breaks any part of the BCEA, it is not enforceable and the BCEA conditions override the conditions in the agreement.

If the collective agreement does not cover certain terms and conditions of employment, then those terms and conditions in the BCEA apply to the employees.

Notice to terminate a collective agreement must be given in writing. Employers should always be wary about terminating collective agreements as this may be deemed under law to be a unilateral alteration of a working condition which is considered an unfair labour practice.

A collective agreement can be made mandatory and applicable for all employees in a bargaining unit (in other words, non-union members) if the registered trade union is a majority union and the agreement specifies those employees to be covered by such agreement.

ENFORCEMENT OF A WORKPLACE-BASED COLLECTIVE AGREEMENT

If you are helping an employee with a problem which is covered by a collective agreement under the BCEA, then you refer the problem to the CCMA or Bargaining Council if you have failed to solve the problem with the employer on your own. If there is disagreement over an interpretation of a collective agreement or how it is being applied, then this can also be referred to the CCMA or appropriate bargaining council for conciliation and final arbitration in terms of Section 24 of the Labour Relations Act.

BARGAINING COUNCIL AGREEMENTS

A Bargaining Council Agreement is the outcome of centralised collective bargaining under the *Labour Relations Act*.

A Bargaining Council Agreement sets out terms and conditions of employment for a **particular industry** in a **particular area**. The conditions in the collective agreement may be better for employees than those in the BCEA. Or employees may agree to conditions less favourable than the BCEA provided they do not affect certain core rights and the agreement is overall better for the employees concerned.

(See S49 of the BCEA).

HOW ARE BARGAINING COUNCIL AGREEMENTS MADE?

Bargaining Councils are permanent structures. They are made up of representatives of employers on the one hand and of trade unions on the other. The *Labour Relations Act* sets out conditions for setting up Bargaining Councils. The two parties to a Bargaining Council negotiate together to make a Bargaining Council Agreement which is reported in the Government Gazette.

A Bargaining Council may ask the Minister of Labour in writing to extend a collective agreement to any non-parties to the agreement, who are within the 'scope' of the council.

If there is no Bargaining Council in a sector, unions or employer organisations can apply to establish a Statutory Council under the *Labour Relations Act*. For a Statutory Council to be introduced, the unions in that sector must represent 30% or more of employees in the sector, and the employers' organisation must represent 30% or more of employers in the sector. Statutory Councils can negotiate education and training, benefit funds and dispute resolution in the sector. In Statutory Councils, employers are not forced to negotiate over wages and conditions of employment. A Statutory Council may become a Bargaining Council later. At present only three Statutory Councils have been created: they are the Statutory Council of the Printing, Newspaper and Packaging Industry of South Africa; the Statutory Council for the Fast Food, Restaurant, Catering and Allied Trades (SCFFRCAT) and the Statutory Council for the Squid and Related Fisheries of South Africa.

ENFORCEMENT OF A BARGAINING COUNCIL AGREEMENT

It is an offence for employers or employees working in a particular industry and area not to obey the terms of the Bargaining Council Agreement. Any problems about any of the working conditions in the Agreement must be referred to the Bargaining Council for investigation. The Bargaining Council's agents have powers of inspection similar to Labour Inspectors in terms of the BCEA. Such agents can provide Compliance Orders where employers are in breach of the council agreement.

(See page 260 Problem 3: Employee is paid below the minimum wage)

SETTLING DISPUTES UNDER A BARGAINING COUNCIL

The Bargaining Council also plays a role in settling disputes, such as unfair labour practices or unfair dismissals in a particular industry. Disputes must be referred to the relevant Bargaining Council for conciliation if a Bargaining Council exists in the sector. The Council appoints conciliators to act as conciliators to try to help the two parties negotiate a solution. If the conciliation does not resolve the dispute, either of the parties may refer the matter for arbitration to the Bargaining Council which has its own accredited arbitrators. The Bargaining Council dispute resolution procedure is similar to the CCMA dispute resolution procedure. A Bargaining Council or CCMA Arbitrator may make an award ordering the employer to pay unpaid annual leave for example, an amount owing, or make an appropriate award.

(See page 229 Solving disputes under the LRA)

Sectoral determinations

A sectoral determination controls the terms and conditions of employment for employees in a particular sector. It may set minimum wages in sectors, regulate payment in kind, regulate pension and medical aid schemes, prohibit or regulate piece work, set minimum standards for housing for employees who live on the employer's premises, and so on. Sectoral determinations will be set in sectors where there is no centralised collective bargaining, and which require detailed and specific regulations (e.g. the agricultural sector). Sectoral determinations may have different conditions to those in the BCEA. The conditions in the sectoral determinations will override the conditions in the BCEA.

HOW ARE SECTORAL DETERMINATIONS MADE?

The BCEA provides for the establishment of an Employment Conditions Commission which investigates conditions in a particular industry or sector. Meetings are held to discuss the establishment of a sectoral determination. Anyone who is interested in having a say in a particular industry can attend these meetings which are advertised in the government gazette.

When the Employment Conditions Commission has heard all the information, it makes recommendations to the Minister of Labour. Once the minister approves the recommendations, they are published in the Government Gazette as a wage determination or sectoral determination.

ENFORCEMENT OF A SECTORAL DETERMINATION

It is the Department of Labour's job to make sure that all employers and employees obey the conditions of employment laid out in sectoral determinations and wage determinations. If you are helping an employee who is covered by a sectoral determination or wage determination, you refer the problem to the Department of Labour if you have tried and cannot solve the problem with the employer on your own. (See page 260 Problem 3: *Employee is paid below the minimum wage*)

SETTLING DISPUTES UNDER A SECTORAL DETERMINATION

It is also the Department of Labour's job to help with the settling of disputes.

SUMMARY OF THE SECTORAL DETERMINATION FOR FARMWORKERS

The employment conditions of farmworkers are regulated by Sectoral Determination 8 and the *Labour Relations Act*.

This is a summary of the provisions contained in Sectoral Determination 8.

(See the website: www.labour.gov.za and click on the appropriate Sectoral Determination for more information)

NOTICE PERIOD AND TERMINATION OF EMPLOYMENT

Any party to an employment contract must give written notice, except when an illiterate employee gives it, as follows:

- One week – if employed for 6 months or less
- Four weeks – if employed for more than 6 months

Notice must be explained verbally by or on behalf of the employer to a farmworker if he/she is not able to understand it.

If the farmworker lives in accommodation provided by the employer then the employer must give him/her one month's notice to leave the accommodation or allow the employee to remain in the home until the contract of employment ends.

The farm worker is allowed to keep livestock on the premises for a period of one month or until the contract of employment could lawfully have been terminated. The farmworker who has standing crops on the land is allowed to tend to those crops, harvest and remove them within a reasonable time after they become ready for harvesting unless the employer pays the farmworker an agreed amount for the crops.

All money that is owing to the farmworker for example, wages, allowances, pro rata leave, paid time-off not taken, and so on must be paid to the employee if the employee leaves the farm.

PROCEDURE FOR TERMINATING EMPLOYMENT

A farmworker's contract of employment may not be terminated unless a valid and fair reason exists and a fair procedure is followed. If an employee is dismissed without a valid reason or without a fair procedure, the employee can refer the case to the CCMA. This should be done within thirty days of being dismissed from the farm.

If a farmworker cannot return to work because of a disability, the employer must investigate the nature of the disability and decide whether or not it is permanent or temporary. The employer must try to change or adapt the duties of the employee to accommodate the employee as far as possible. But, if it is not possible for the employer to change or adapt the duties of the farmworker then the employer can terminate his/her services for what is called "Incapacity."

The *Labour Relations Act* sets out the procedures that must be followed when a person's services are terminated.

WAGE/REMUNERATION/PAYMENT

All farmers have to pay their employees a minimum wage. Wage rates are adjusted every year.

The minimum rate for the period 1 March 2015 to 29 February 2016 is R13,37 per hour, R 601,61 per week and R2 606,78 per month.

Farmers who can prove that they cannot afford the minimum wage can apply to the Department of Labour for a variation or exemption from this requirement. The Department will consider variations only where the farmer can give good financial reasons for this.

Additional payments (such as for overtime or work on Sundays or Public holidays) are calculated from the total remuneration.

TRANSPORT ALLOWANCE

The Sectoral Determination does not regulate transport so it is open to negotiation between the parties.

HOURS OF WORK

NORMAL HOURS (EXCLUDING OVERTIME)

A farmworker cannot work more than:

- 45 hours per week
- 9 hours per day for a five day work week
- 8 hours a day for a six day work week

EXTENSION OF ORDINARY HOURS OF WORK

Ordinary hours of work can be extended by written agreement but by no more than 5 hours per week for a period of up to four months. The ordinary hours of work should be reduced by the same number of hours during a quiet period in the same twelve month period.

Averaging of working hours during season time

Averaging means employees can collectively agree to work shorter or longer hours than the Sectoral Determination allows. Any agreement to work longer hours means employees must get the same number of extra hours off at a later time. Any agreement regarding longer or shorter working hours must be in writing and should be done with the support of a trade union where possible.

Farmworkers can agree to work up to 50 hours a week for their ordinary wages but this can only go on for four months. However, if the parties want to extend this arrangement, they can agree in writing to do this and they must then notify the Department of Labour of this agreement so that a 'Variation Order' is made by the Department of Labour. In return, normal working hours must be reduced by the same amount (in other words to 40 hours) during the quiet periods.

The employer must pay the farmworker the wage he/she would have received for his/her normal hours worked.

If hours have been extended and not reduced at a later stage, then the hours must be paid as overtime.

OVERTIME

A farmworker may not work more than:

- 15 hours overtime per week, and
- 12 hours spread over on any day, including overtime

Overtime is paid at one and a half times the employee's normal wage or an employee may agree to take paid time off on the basis of one and a half hours off for every overtime hour worked.

DAILY AND WEEKLY REST PERIODS

A farmworker is entitled to a daily rest period of 12 consecutive hours (hours in a row) and a weekly rest period of 36 consecutive hours, which must include Sunday, unless otherwise agreed.

The daily rest period can be reduced to 10 hours if the parties agree and if the employee lives on the premises and takes a meal interval that lasts for at least 3 hours.

The weekly rest period can by agreement be extended to 60 consecutive hours every two weeks or be reduced to 8 hours in any week if the rest period in the following week is also extended.

NIGHT WORK

- Night work means work performed after 8 p.m. and before 4.a.m.
- Night work can only happen if the farmworker has agreed to this in writing. The employee must be compensated for night work by an allowance of at least 10% of the ordinary daily wage.

MEAL INTERVALS

A farmworker is entitled to a one-hour break for a meal after five hours work of continuous work. The interval may be reduced to 30 minutes by agreement. When a second meal interval is required because of overtime worked, it may be reduced to not less than 15 minutes. If an employee has to work through his or her meal interval, then he/she must be paid for this.

WORK ON SUNDAYS

Farmworkers should be paid for work on Sundays as follows:

HOURS WORKED	PAYMENT
One hour or less	Double the wage for one hour
Longer than one hour, but less than 2 hours	Double the wage for the time worked
Longer than two hours, but less than 5 hours	The normal daily wage
Longer than 5 hours	Either: <ul style="list-style-type: none">- double the wage for the hours worked, or- double the daily wage, whichever is greater

A farmworker who does not live on the farm and who works on a Sunday must be regarded as having worked at least two hours on that day.

PUBLIC HOLIDAYS

Farmworkers are entitled to all the public holidays in the *Public Holidays Act* but the parties can agree to other public holidays. Work on a public holiday is voluntary which means a farmworker may not be forced to work.

The official public holidays are: New Years Day, Human Rights Day, Good Friday, Family Day, Freedom Day, Employees Day, Youth Day, National Woman's Day, Heritage Day, Day of Reconciliation, Christmas Day, Day of Goodwill.

Where the government declares an official public holiday at any other time then this must be granted. The days can be exchanged for any other day by agreement.

If the employee works on a public holiday he/she must be paid double the normal daily wage.

ANNUAL LEAVE

Full time farmworkers are entitled to 3 weeks leave per year. If the parties agree they can take leave as follows: 1 day for every 17 days worked or one hour for every 17 hours worked.

The leave must be given not later than 6 months after completing 12 months of employment with the same employer. The leave may not be given at the same time as sick leave, nor at the same time as a period of notice to terminate work.

SICK LEAVE

During the first six months of employment, an employee is entitled to one day's paid sick leave for every 26 days worked.

During a sick leave cycle of 36 months, an employee is entitled to paid sick leave that is equal to the number of days the employee would normally work during a period of 6 weeks.

The employer does not have to pay an employee if the employee has been absent from work and does not produce a medical certificate stating that s/he was too sick or injured to work:

- For more than two days in a row
- On more than two occasions during an 8-week period

MATERNITY LEAVE

A farmworker is entitled to up to 4 consecutive months maternity leave. The employer does not have to pay the employee for the period for which she is off work due to her pregnancy. However the parties may agree that the employee will receive part of her whole wage for the time that she is off and the mother is able to claim from the UIF for maternity leave benefits.

FAMILY RESPONSIBILITY LEAVE

Employees who have been employed for longer than 4 months and for at least 4 days a week are entitled to take 3 days paid family responsibility leave during each leave cycle in the following circumstances:

- When the employee's child is born
- When the employee's child is sick
- If one of the following people dies: the employee's husband/wife, life partner/, parent/adoptive parent/grandparent/child /adopted child/grandchild/ brother or sister

Employees need not take a whole day off and can request for half days off or any shorter period. Again, the granting of this is at the employer's discretion.

DEDUCTIONS FROM THE REMUNERATION

An employer is not allowed to deduct any monies from the employee's wages without his/her written permission.

There can be a deduction of no more than 10% for food and 10% for accommodation where the food and accommodation is provided free of charge by the employer and on a regular and consistent basis.

There can be an agreed charge for electricity, water or other services. In addition, the house must have a proper roof which is waterproof. It must have glass windows that can be opened, electricity, safe water on tap inside the house (or not further than 100 meters from the house) and a flush toilet or pit latrine inside or close to the house.

Farmers may not deduct money from wages for training, provision of tools or equipment or uniforms.

Farmers may only deduct money from wages if this is for payment to:

- A funeral or pension fund
- A financial institution
- Trade union fees

OTHER ISSUES

Other issues that are not dealt with in the sectoral determination include:

- Probationary periods
- Right of entry to the employer's premises
- Afternoons / weekends off
- Pension schemes
- Medical aid
- Training/school fees
- Funeral benefits/saving accounts

These can all be negotiated between the parties and included in the contract of employment

PROHIBITION OF EMPLOYMENT

No one under the age of 15 can be required or permitted to work.

OTHER CONDITIONS OF EMPLOYMENT

There is no provision which prevents other conditions of employment being included in a contract of employment but any new conditions may not be less favourable than those set by the Sectoral Determination.

GENERAL ADMINISTRATIVE REQUIREMENTS

The Sectoral Determination states that farmers must comply with the following administrative processes:

- Provide employees with a pay slip which should be kept for a period of 3 years
- Provide employees with an employment contract

(See www.labour.gov.za for more information)

NOTE

Farmworkers are also covered by the Labour Relations Act, and have a right to belong to unions and to organise with other employees. Union organisers have to negotiate access onto the farms with the farmers. If the farmer refuses, the matter can be taken up with the Department of Labour or the Commission for Conciliation, Mediation and Arbitration. A union which has approximately 30% of employees in an organisation or a farm, as its members, is entitled to have access to the farm or the establishment to hold meetings and to run union business. If this is a problem, the matter can be referred to the CCMA. Also, a thirty percent representation of a farm entitles the trade union to 'stop order facilities' on the farm.

SAMPLE CONTRACT OF EMPLOYMENT FOR FARMWORKERS

EXAMPLE: FARMWORKERS CONTRACT OF EMPLOYMENT

Name of employer

Address of employer

Name of employee

1. COMMENCEMENT OF EMPLOYMENT

Employment started/will start on
and continue until terminated in terms of this contract.

2. PLACE OF WORK

3. JOB DESCRIPTION

Job title:

Duties:

4. HOURS OF WORK

4.1 Normal working hours will be hours per week, made up as follows:

Monday/Tuesday/Wednesday/ Thursday / Friday a.m. to p.m.

Meal intervals will be from: to

Other breaks:

Saturdays: a.m. to p.m.

Meal intervals will be from: to

Other breaks:

Sundays: a.m. to p.m.

Meal intervals will be from: to

Other breaks:

4.2 Hours of work will be extended by not more than 5 hours per week during
..... and reduced by the same hours during

4.3 Overtime will be worked as agreed from time to time and will be paid at the rate of one
and a half times of the total wage as set out in clause 5.1 and 5.2 of this contract.

5. WAGE

5.1 The employee's wage shall be paid in cash on the last working day of every week/month
and shall be: R

5.2 The employee shall be entitled to the following
allowances/other cash payments in kind:

5.2.1 Accommodation per week/month to the value of R

5.2.2 Food per week/month to the value of R

5.3 The following deductions are agreed upon: R

R

5.4 The total value of the above remuneration shall be : R
(the total of clauses 5.1 to 5.2.2 – change or delete clauses as needed)

5.5 The employer shall review the employee's salary/wage on or before 1 March of every year.

6. TERMINATION OF EMPLOYMENT

Either party can terminate this agreement with one week's notice during the first six months
of employment and with four weeks notice thereafter. Notice must be given in writing
except when it is given by an illiterate employee. In the case where the employee is illiterate
notice must be explained orally by or on behalf of the employer.

On giving notice the employer is to provide the employee who resides in accommodation that belongs to the farmer, accommodation for a period of a month. The employer is also obliged to allow the employee who has standing crops on the land a reasonable time to harvest the crop or the farmer may pay the employee an agreed amount for that crop.

7. SUNDAY WORK

Any work on Sunday will be by agreement between parties and will be paid according to the Sectoral Determination.

8. PUBLIC HOLIDAYS

Any work on holidays will be by agreement and will be paid according to the Sectoral Determination.

9. ANNUAL LEAVE

The employee is entitled to three weeks paid leave after every 12 months of continuous service. Such leave is to be taken at times convenient to the employer and the employer may require the employee to take his/her leave at such times as coincide with that of the employer.

10. SICK LEAVE

- 10.1 During every sick leave cycle of 36 months the employer will be entitled to an amount of paid sick leave equal to the number of days the employee would normally work during a period of six weeks.
- 10.2 During the first 6 months of employment the employee will be entitled to one day's paid sick leave for every 26 days worked.
- 10.3 The employee is to notify the employer as soon as possible in case of his/her absence from work through illness.
- 10.4 A medical certificate is required if absent for more than 2 consecutive days or if absent on more than two occasions during an 8 week period.

11. MATERNITY LEAVE

(Tick the applicable clauses in the space provided)

- ☐ The employee will be entitled to months maternity leave without pay, OR
- ☐ The employee will be entitled to months maternity leave on pay

12. FAMILY RESPONSIBILITY LEAVE

The employee will be entitled to three days family responsibility leave during each leave cycle if he/she works on at least 4 days a week and provided the employee has been employed for longer than four months.

13. ACCOMMODATION

(Tick the appropriate box)

- 13.1 The employee will be provided with accommodation for as long as the employee is ☐ in the service of the employer, which shall form part of his/her remuneration package.
- 13.2 The accommodation may only be occupied by the employee and his/her immediate ☐ family, unless by prior arrangement with the employer
- 13.3 Prior permission should be obtained for visitors who wish to stay the night. However, ☐ where members of the employee's direct family are visiting, such permission will not be necessary.

14. CLOTHING

(delete whichever is not applicable)

..... sets of uniforms/protective clothing
 sets of boots

will be supplied to the employee free of charge by the employer and will remain the property of the employer.

15. OTHER CONDITIONS OF EMPLOYMENT OR BENEFITS

.....

16. GENERAL

Any changes to the written contract will only be valid if agreed by both parties.

.....
 EMPLOYER

..... Date:
 EMPLOYEE (Signed in acknowledgement of receipt)

SUMMARY OF THE SECTORAL DETERMINATION FOR DOMESTIC WORKERS

Working conditions of domestic workers are regulated by a sectoral determination and the *Labour Relations Act*. (See page 188 *Sectoral Determinations*)

NOTICE PERIOD AND TERMINATION OF EMPLOYMENT

Any party to an employment contract must give written notice as follows (except when an illiterate employee gives it):

- One week – if employed for 6 months or less
- Four weeks – if employed for more than 6 months

Notice must be explained verbally by or on behalf of the employer to a domestic worker if he/she is not able to understand it.

If the domestic worker lives in accommodation provided by the employer then the employer must give him/her one month's notice to leave the accommodation or until the contract of employment could lawfully have been terminated.

All money that is owing to the domestic worker for example, wages, allowances, pro rata leave and paid time-off not taken, must be paid.

An employer who has to dismiss an employee due to a change in his/her economic, technological, or structural set-up (called operational requirements in the determination) is responsible for severance pay to the employee.

PROCEDURE FOR TERMINATING EMPLOYMENT

A domestic worker's contract of employment may not be terminated unless a valid and fair reason exists and a fair procedure is followed. If an employee is dismissed without a valid reason or without a fair procedure, the employee can refer the case to the CCMA.

If a domestic worker cannot return to work because of a disability, the employer must investigate the nature of the disability and decide whether or not it is permanent or temporary. The employer must try to change or adapt the duties of the employee to accommodate the employee as far as possible. But, if it is not possible for the employer to change or adapt the duties of the domestic worker then the employer can terminate his/her services.

The *Labour Relations Act* sets out the procedures that must be followed when a person's services are terminated.

WAGE/REMUNERATION/PAYMENT

All employers of domestic workers throughout South Africa have to pay their employees a minimum wage. There are two rates for the minimum wage which are based on:

- Where the domestic worker works
- The number of hours worked per week

WAGES ACCORDING TO AREAS

Wages are prescribed for two areas, Area A and Area B. These areas are based on municipal boundaries.

AREA A:

Bergrivier Local Municipality, Breederivier Local Municipality, Buffalo City Metro Municipality, Cape Agulhas Local Municipality, Cederberg Local Municipality, City of Cape Town, City of Johannesburg Metropolitan Municipality, City of Tshwane Metropolitan Municipality, Drakenstein Local Municipality, Ekurhuleni Metropolitan Municipality, Emalahleni Local Municipality, Emfuleni Local Municipality, Ethekwini Metropolitan Municipality, Gamagara Local Municipality, George Local Municipality, Hibiscus Coast Local Municipality, Karoo Hoogland Local Municipality, Kgatelopele Local Municipality, Khara Hais Local Municipality, Knysna Local Municipality, Kungwini Local Municipality, Kouga Local Municipality, Langeberg Local Municipality, Lesedi Local Municipality, Makana Local Municipality, Mangaung Metro Municipality, Matzikama Local Municipality, Metsimaholo Local Municipality, Middelburg Local Municipality, Midvaal Local Municipality, Mngeni Local Municipality, Mogale Local Municipality, Mosselbaai Local Municipality, Msunduzi Local Municipality, Mtubatuba Local Municipality, Nama Khoi Local Municipality, Nelson Mandela Metro Municipality, Nokeng tsa Taemane Local Municipality, Oudtshoorn Metro Municipality, Overstrand Local Municipality, Plettenbergbaai Local Municipality, Potchefstroom Local Municipality, Randfontein Local Municipality, Richtersveld Local Municipality, Saldanha Bay Local Municipality, Sol Plaatjie Local Municipality, Stellenbosch Local Municipality, Swartland Local Municipality, Swellendam Local Municipality, Theewaterskloof Local Municipality, Umdoni Local Municipality, uMhlathuze Local Municipality and Witzenberg Local Municipality.

AREA B – applies to the rest of South Africa

Wages will be payable according to the number of hours worked per week.

If a domestic worker works for 27 ordinary or less hours per week, he/she will be entitled to slightly higher wage. This is to compensate the employee, as he/she does not have a full-time job.

HOW ARE THE WAGES CALCULATED?

Wage rates are adjusted every December. These are the minimum rates for the period 1 December 2014 – 30 November 2015:

AREA A

If an employee works 27 ordinary hours or less per week the hourly wage is R12,40 per hour, R334,34 per week and R1 450,33 per month.

If an employee works more than 27 ordinary hours per week, the hourly wage is R10,59 per hour, R476,68 per week and R2 065,47 per month.

AREA B

If an employee works 27 ordinary hours or less per week the hourly wage is R10,98 per hour, R296,35 per week, and R1 284,09 per month.

If an employee works more than 27 ordinary hours per week, the hourly wage is R9,30 per hour, R418,32 per week and R1 812,57 per month.

GUARANTEED MINIMUM RATE

Some domestic workers might work less than 4 hours per day. If this is the case, he/she should be paid for 4 hours worked.

ANNUAL INCREASE

Wages will go up by 8% in November of every year. Wage increases are published by the Department of Labour.

CALCULATING THE MINIMUM WAGES

Employers who cannot afford to pay the minimum wage can choose to reduce the number of hours to be worked instead of retrenching the employee. However, it is against the law to pay less than the minimum hourly rate. If an employer pays more than the prescribed hourly rate, they cannot reduce the rate because it will be an unfair labour practice.

EXAMPLE

CALCULATING A DOMESTIC WORKER'S WAGE

Sarah is a domestic worker who works 6 hours a day from Monday to Friday for an employer who lives in Soweto. What is the minimum rate that Sarah can be paid according to the Sectoral Determination for domestic workers?

*6 hours per day x 5 days
= 30 hours worked per week*

She must be paid at the rate prescribed for AREA A.

*30 hours per week x R10.59
(rate for Area A for an employee working more than 27 hours per week)
= R317.70 for 30 hours per week*

Additional payments (such as for overtime or work on Sundays or Public holidays) are calculated from the total remuneration.

TRANSPORT ALLOWANCE

The Sectoral Determination does not regulate transport so it is open to negotiation between the parties.

HOURS OF WORK

NORMAL HOURS (EXCLUDING OVERTIME)

A domestic worker may not work more than:

- 45 hours per week
- 9 hours per day for a 5-day work-week
- 8 hours a day for a 6-day work-week

OVERTIME

Overtime is voluntary and a domestic worker may not work more than:

- 15 hours overtime per week, and
- 12 hours on any day, including overtime.

Overtime is paid at one and a half times the employee's normal wage or an employee may agree to take paid time off.

DAILY AND WEEKLY REST PERIODS

A domestic worker is entitled to a daily rest period of 12 consecutive hours (hours in a row) and a weekly rest period of 36 consecutive hours, which must include Sunday, unless otherwise agreed.

The daily rest period can be reduced to 10 hours if the parties agree and if the employee lives on the premises and takes a meal interval that lasts for at least 3 hours.

The weekly rest period can by agreement be extended to 60 consecutive hours every two weeks or be reduced to 8 hours in any week if the rest period in the following week is also extended.

STANDBY

Standby means any period between 8 p.m. and 6 a.m. when a domestic worker might need to be at the workplace and is allowed to rest or sleep but must be available to work if necessary.

This may only be done if the parties have agreed in writing and not more than 5 times per month. An allowance of at least R20 per shift must be paid for standby.

An employer must pay a domestic worker for any time worked in excess of three hours during any period of stand-by. The employee must be paid at the normal overtime rate or given paid time-off.

NIGHT WORK

- Night work means work performed after 6 p.m. and before 6 a.m.
- Night work is allowed only if the domestic worker has agreed to this in writing. The employee must be compensated by an allowance of at least 10% of the ordinary daily wage.

MEAL INTERVALS

A domestic worker is entitled to a one-hour break for a meal after five hours continuous work. The interval may be reduced to 30 minutes by agreement. When a second meal interval is required because of overtime worked, it may be reduced to not less than 15 minutes. If an employee has to work through his or her meal interval, then they must be paid for this.

WORK ON SUNDAYS

Work on Sundays is voluntary and a domestic worker cannot be forced to work on a Sunday.

A domestic worker who works on a Sunday must be paid double the daily wage.

If the employee ordinarily works on a Sunday he/she should be paid one and a half times the wage for every hour worked. If the parties agree, the employee can be paid by giving her/him time off of one and a half hours for each overtime hour worked.

PUBLIC HOLIDAYS

Domestic workers are entitled to all the public holidays in the *Public Holidays Act* but the parties can agree to other public holidays. Work on a public holiday is voluntary which means a domestic worker may not be forced to work.

The official public holidays are:

New Years day	Youth Day
Human rights day	National Woman's Day
Good Friday	Heritage Day
Family Day	Day of Reconciliation
Freedom Day	Christmas Day
Workers' Day	Day of Goodwill

Where the government declares an official public holiday at any other time then this must be granted. The days can be exchanged for any other day by agreement.

If the employee works on a public holiday he/she must be paid double the normal day's wage.

ANNUAL LEAVE

Full time domestic workers are entitled to 3 weeks leave per year. If the parties agree they can take leave as follows: 1 day for every 17 days worked or one hour for every 17 hours worked.

The leave must be given not later than 6 months after completing 12 months of employment with the same employer. The leave may not be given at the same time as sick leave, nor at the same time as a period of notice to terminate work.

SICK LEAVE

During the first six months of employment, an employee is entitled to one day's paid sick leave for every 26 days worked.

During a sick leave cycle of 36 months, an employee is entitled to paid sick leave that is equal to the number of days the employee would normally work during a period of 6 weeks.

The employer does not have to pay an employee if the employee has been absent from work:

- For more than two days in a row, or
- on more than two occasions during an 8-week period and does not produce a medical certificate stating that he/she was too sick or injured to work. The certificate can be from a doctor, a traditional healer or a qualified nurse.

MATERNITY LEAVE

A domestic worker is entitled to up to 4 consecutive months maternity leave. The employer does not have to pay the employee for the period for which she is off work due to her pregnancy. However the parties may agree that the employee will receive part of her whole wage for the time that she is off. The mother can also claim maternity benefits from UIF for the full four months.

FAMILY RESPONSIBILITY LEAVE

Employees who have been employed for longer than 4 months and for at least 4 days a week are entitled to take 3 days paid family responsibility leave during each leave cycle in the following circumstances:

- When the employee's child is born
- When the employee's child is sick
- If any one of the employee's relations dies: a spouse or life partner; a parent, adoptive parent or grandparent; a child, adopted child or grandchild; a brother or sister

DEDUCTION FROM THE REMUNERATION

An employer is not allowed to deduct any monies from the employee's wages without his/her written permission.

There can be a deduction of no more than 10% for accommodation if the accommodation:

- Is weatherproof and generally kept in good condition
- Has at least one window and door, which can be locked
- Has a toilet and bath or shower, if the domestic worker does not have access to any other bathroom.

OTHER ISSUES

Other issues that are not dealt with in the Sectoral Determination include:

- Probationary periods
- Right of entry to the employer's premises
- Afternoons / weekends off
- Pension schemes
- Medical aid
- Training / school fees
- Funeral benefits / saving accounts

These can all be negotiated between the parties and included in the contract of employment.

PROHIBITION OF EMPLOYMENT

No one under the age of 15 can be required or permitted to work.

OTHER CONDITIONS OF EMPLOYMENT

There is no provision which prevents other conditions of employment being included in a contract of employment but any new conditions may not be less favourable than those set by the Sectoral Determination.

GENERAL ADMINISTRATIVE REQUIREMENTS

The Sectoral Determination states that employers must comply with the following administrative processes:

- Provide employees with a written contract of employment
- Payment must be made in a sealed envelope, by cash or cheque, and must include a detailed payslip. The employer must keep copies of these payslips for 3 years.

(See www.labour.gov.za and click on Sectoral Determination for domestic employees for more information.)

SAMPLE CONTRACT OF EMPLOYMENT FOR DOMESTIC WORKERS

EXAMPLE

DOMESTIC WORKER – CONTRACT OF EMPLOYMENT

Name of employer

Address of employer

Name of employee

1. COMMENCEMENT OF EMPLOYMENT

Employment started/will start on
and continue until terminated in terms of this contract.

2. PLACE OF WORK

3. JOB DESCRIPTION

Job title:

Duties:

4. HOURS OF WORK

4.1 Normal working hours will be hours per week, made up as follows:

Monday/Tuesday/Wednesday/Thursday/Friday a.m. to p.m.

Meal intervals will be from: to

Other breaks:

Saturdays: a.m. to p.m.

Meal intervals will be from: to

Other breaks:

Sundays: a.m. to p.m.

Meal intervals will be from: to

Other breaks:

4.2 Hours of work will be extended by not more than 5 hours per week during and reduced by the same hours during

4.3 Overtime will be worked as agreed from time to time and will be paid at the rate of one and a half times of the total wage as set out in clauses 5.1 and 5.2 of this contract.

4.4 Standby will only be done if agreed from time to time whereby an allowance of at least R20,00 will be paid per standby shift.

5. WAGE

5.1 The employee's wage shall be paid in cash on the last working day of every week/month and shall be: R

5.2 The employee shall be entitled to the following allowances/other cash payments in kind:

5.2.1 Accommodation per week/month to the value of R

5.2.2 Food per week/month to the value of R

5.3 The following deductions are agreed upon: R
R

5.4 The total value of the above remuneration shall be : R
(the total of clauses 5.1 to 5.2.2 – change or delete clauses as needed)

5.5 The employer shall review the employee's salary/wage on or before 1 November of every year.

6. TERMINATION OF EMPLOYMENT

Either party can terminate this agreement with one week's notice during the first six months of employment and with four weeks notice thereafter. Notice must be given in writing except when it is given by an illiterate employee. In the case where the employee is illiterate notice must be explained orally by or on behalf of the employer.

On giving notice the employer is to provide the employee who resides in accommodation that belongs to the employer accommodation for a period of one month.

7. SUNDAY WORK

Any work on Sunday will be by agreement between parties and will be paid according to the Sectoral Determination.

8. PUBLIC HOLIDAYS

Any work on holidays will be by agreement and will be paid according to the Sectoral Determination.

9. ANNUAL LEAVE

The employee is entitled to three weeks paid leave after every 12 months of continuous service. Such leave is to be taken at times convenient to the employer and the employer may require the employee to take his/her leave at such times as coincide with that of the employer.

Continued on next page

10. SICK LEAVE

- 10.1 During every sick leave cycle of 36 months the employer will be entitled to an amount of paid sick leave equal to the number of days the employee would normally work during a period of six weeks.
- 10.2 During the first 6 months of employment the employee will be entitled to one day's paid sick leave for every 26 days worked.
- 10.3 The employee is to notify the employer as soon as possible in case of his/her absence from work through illness.
- 10.4 A medical certificate is required if absent for more than 2 consecutive days or if absent on more than two occasions during an 8 week period.

11. MATERNITY LEAVE

(Tick the applicable clauses in the space provided)

- ☐ The employee will be entitled to months maternity leave without pay, OR
- ☐ The employee will be entitled to months maternity leave on pay

12. FAMILY RESPONSIBILITY LEAVE

The employee will be entitled to three days family responsibility leave during each leave cycle if he/she works on at least 4 days a week.

13. ACCOMMODATION

(Tick the appropriate box)

- 13.1 The employee will be provided with accommodation for as long as the employee is ☐ in the service of the employer, which shall form part of his/her remuneration package.
- 13.2 The accommodation may only be occupied by the employee and his/her immediate ☐ family, unless by prior arrangement with the employer
- 13.3 Prior permission should be obtained for visitors who wish to stay the night. However, ☐ where members of the employee's direct family are visiting, such permission will not be necessary.

14. CLOTHING

(delete whichever is not applicable)

sets of uniforms/protective clothing will be supplied to the employee free of charge by the employer and will remain the property of the employer.

15. OTHER CONDITIONS OF EMPLOYMENT OR BENEFITS

16. GENERAL

Any changes to the written contract will only be valid if agreed by both parties.

.....
EMPLOYER

..... Date:
EMPLOYEE (Signed in acknowledgement of receipt)

Deregulation

Deregulation means removing laws and regulations so that there is less restriction and 'red-tape' for people who want to operate in an area. For example, where an industry applies for exemption from a Bargaining Council Agreement or Wage Determination, or where areas are designated as "industrial hives" where wage regulating measures don't apply. Deregulation can have a positive effect, for example, the lifting of regulations that control the granting of hawkers' licenses so that more people can work as hawkers or street traders because the laws about getting a hawker's license aren't so strict. Deregulation is controlled by the Department of Labour whose role is to ensure that any form of deregulation will not have a negative impact on people in the workplace.

Other laws that apply to terms and conditions in the workplace

EMPLOYMENT EQUITY ACT (EEA)

The *Employment Equity Act No 55 of 1998* aims to create an environment of equality and non-discrimination in the workplace. It states grounds for non-discrimination in the workplace including:

- Race
- Gender
- Sex
- Pregnancy
- Marital status
- Ethnic origin
- Social origin
- Colour
- Sexual orientation
- Age
- Disability
- Religion
- Conscience
- Belief
- Culture
- Language
- Birth
- Family responsibility
- HIV status
- Political opinion

The EEA is important because it includes three grounds for non-discrimination that are not included in the Constitution or the Equality Act: family responsibility, HIV status and political opinion. A case can be referred to the Labour Court if an employee believes that an employer is discriminating against him or her on any of these grounds in order to:

- Demote or not promote the employee
- Block the employee from having access to training and development
- Make an unfair distribution of employee benefits to the employee

The EEA also sets out regulations on affirmative action in the workplace to create equal opportunities for all employees and for people applying for jobs. It says that an employer who employs over 50 people or has a turnover of over a certain threshold, must take steps to include and advance previously disadvantaged groups (black people, women and the disabled) in their workforce. This involves setting up an Employment Equity Committee which works to improve equal opportunity in the company, promote equal opportunity and remove unfair discrimination,

So, when a company makes new appointments or promotes staff, it must give 'preferential treatment' to properly qualified people who are from one of these previously disadvantaged groups, (female, black or disabled). In other words, formal qualifications or relevant experience are not the only reasons for deciding whether a person is suitable for a job or not.

The EEA covers everyone except the South African National Defence Force (SANDF), the National Intelligence Agency (NIA) and Secret Services.

THE OCCUPATIONAL HEALTH AND SAFETY ACT (OHSA)

The *Occupational Health and Safety Act No 85 of 1993* gives employees specific rights in health and safety at work. It gives health and safety guidelines for the workplace to employers and gives inspectors wide powers to ensure that these are being implemented.

WHO DOES THE OHSA COVER?

The Act excludes employees in mines and on ships, where other laws apply. The OHSA covers all other employees, including farmworkers, domestic workers and state employees.

THE EMPLOYEE'S DUTIES

Employees must take reasonable precautions over their own health and safety at work. They must follow precautions and rules about safety and health. They must report any unsafe circumstances or accident as soon as possible to the safety representative.

Anyone who acts in a reckless way or damages any safety measures can be charged and a claim for damages can be brought against them.

THE EMPLOYER'S DUTIES

The employer must make sure that the workplace is safe and healthy, and must not allow any employee to do work which is potentially dangerous. The employee must know what the dangers of the work are.

The **general duties** of the employer are to:

- Choose safety representatives
- Consult with the employees' trade union about the safety representatives
- Inform employees of the dangers in the workplace
- Reduce any dangers to a minimum before issuing protective clothing
- Issue protective clothing where necessary
- Give necessary training to employees who use dangerous machines or materials, to make sure they know the safety precautions
- Prevent employees from using or working with dangerous materials or machines, unless all the necessary safety rules have been followed
- Ensure that dangerous machines are in good working order and are safe to work with
- Make sure that dangerous machines carry warnings and notices
- Make sure that someone who knows the work is supervising the operations to ensure the safety of the employees
- Keep the workplace open so that employees can escape from danger if necessary
- Not move any evidence of an accident before an inspector has given permission, unless someone has been badly injured and needs treatment

The chief inspector can ask any employer for a **report** of the safety precautions.

An employer **cannot take action against any employees** who do the following:

- Give information about their conditions at work or that the act says they have to give
- Give evidence in court
- Respond to any request of an inspector
- Refuse to do anything that is against the law

REPORTING ACCIDENTS OR INCIDENTS

The employer must keep a report of all accidents and safety or health incidents in the workplace. The employer must report certain accidents or incidents to the safety representative and to the Department of Labour.

SAFETY REPRESENTATIVES AND SAFETY COMMITTEES

The employer must appoint one safety representative for every 20 employees. There must be at least one representative for every 50 employees. The employer must explain to the employees' organisation what responsibilities the safety representatives will have and how the representatives will be selected.

In every workplace where there are two or more safety representatives there must also be a safety committee. This committee must meet at least every three months. The committee must deal with all safety and health issues that affect employees. The safety committees have certain functions and powers. You can find out more about these in the Act or by contacting the Department of Labour.

ENFORCEMENT OF THE OHSA

OHSA falls under the administration of the Department of Labour. Inspectors from the Department have wide powers to search the workplace, question people, ask for explanations from an employer, and so on.

An inspector can fine a person for breaking the Act. If that person wants to appeal against the inspector's decision, they can appeal to the chief inspector. They can appeal against the chief inspector's decision in the Labour Court.

If an employee is hurt at work as a result of the employer not following a safety regulation, then that employer can be fined up to R100 000 and/or two years in prison.

CODE OF GOOD PRACTICE ON THE HANDLING OF SEXUAL HARASSMENT CASES IN THE WORKPLACE

The 2005 *Code of Good Practice on the Handling of Sexual Harassment Cases in the Workplace* defines sexual harassment and refines procedures on managing such complaints.

One of the most difficult aspects of sexual harassment at work is the balance of rights. In the first place the right to personal dignity of the victim has been infringed. Everyone has a right to a safe working environment which includes not being harassed. On the other hand, the alleged perpetrator also deserves fair treatment. 'Fair treatment' means that he or she should only be disciplined after the allegations have been investigated and the evidence supports the allegations of harassment.

WHAT IS SEXUAL HARASSMENT?

Sexual harassment is defined in the Code of 2005 as *unwelcome conduct of a sexual nature that violates the rights of an employee and constitutes a barrier to equity in the workplace* and takes into account the following factors:

- (a) Was the conduct on prohibited grounds (sex, gender or sexual orientation)?
- (b) Was it unwelcome? Ways to show behaviour is unwelcome include verbal and non-verbal actions like walking away or not responding to the harassor.
- (c) What was the nature and extent of the sexual conduct? The conduct can be physical, verbal or non-verbal:
 - Physical includes unwelcome physical contact ranging from touching to sexual assault and rape as well as strip search by or in the presence of the opposite sex.
 - Verbal includes unwelcome suggestions, hints, sexual advances, comments with sexual overtones, sex-related jokes or insults, graphic comments about a person's body made in their presence or to them, inappropriate enquiries about a person's sex life, whistling of a sexual nature and sending sexually explicit text by electronic means or otherwise.
 - Non-verbal includes unwelcome gestures, indecent exposure and displaying or sending sexually explicit pictures or objects.The conduct can also be victimisation where a person gets victimised for failing to respond to sexual advances and the intention is to humiliate him or her; or sexual favouritism – 'rewards' for sex.
- (d) What was the impact on the employee? This is a subjective test and involves looking at the effect of the action on the victim's dignity. It takes into account the circumstances of employee and the positions of power between the victim and alleged harassor.

SEXUAL HARASSMENT AS A FORM OF UNFAIR DISCRIMINATION

The Code says that sexual harassment is a form of unfair discrimination and that harassment on the grounds of sex and/or gender and/or sexual orientation is prohibited.

TEST FOR SEXUAL HARASSMENT

The Code defines which factors must be taken into account when deciding whether an action constitutes unwelcome conduct. It gives guidelines as to what constitutes sexual harassment and explains what is understood by 'nature and extent' of the conduct (see definition of 'unwelcome conduct').

When it comes to the impact of the conduct, the code says the conduct must be an impairment of the employee's dignity. The relevant considerations here are the circumstances of the employee and the positions that the employee and the alleged harassor hold in the organisation. When assessing the impact of the conduct, the test is a subjective one where the focus is not only on the actions that constitute sexual harassment, but more substantially on the effects and the circumstances surrounding these actions. So, it requires the employer to look at the psychological impact of the sexual conduct on an employee and not only at how an objective person might judge the action.

Digital harassment is also conduct that can constitute sexual harassment.

SEXUAL HARASSMENT POLICIES AND PROCEDURES

The Code requires the employer to adopt a sexual harassment policy and says what should be included in this policy, for example:

- That sexual harassment constitutes unfair discrimination, that it infringes the rights of the complainant and that it represents a barrier to equity in the workplace;
- That sexual harassment in the workplace will not be permitted or condoned;
- Complainants have the right to follow the procedures in the policy and appropriate action must be taken by the employer;
- That it will constitute a disciplinary offence to victimize or retaliate against an employee who in good faith lodges a grievance of sexual harassment.

The policy should also outline the steps and the procedures to be followed by a complainant who wants to lodge a sexual harassment complaint or grievance. The Code sets out the procedures that should be followed when a complaint of sexual harassment is made.

PROCEDURES FOR DEALING WITH COMPLAINTS OF SEXUAL HARASSMENT

The Code says the following procedures should be included in the policy:

Reporting sexual harassment: Conduct involving sexual harassment must immediately be reported to the employer. 'Immediately' means *as soon as is reasonably possible in the circumstances* and without delay, taking into account the nature of sexual harassment (as a sensitive issue), the fear of a negative response, and the positions of the complainant and the alleged harassor in the workplace. The employer must:

- Consult the parties
- Take steps to address the complaint
- Take steps to stop the sexual harassment

IMPLEMENTING FORMAL PROCEDURES WITHOUT THE CONSENT OF THE COMPLAINANT

The Code says that a complainant can choose to follow a formal procedure or an informal procedure. If the complainant chooses NOT to follow a formal procedure, the employer should still assess the risk to other people in the workplace. The employer must take into account all relevant factors, including:

- How serious the alleged sexual harassment was, and
- Whether the alleged harassor has a history of sexual harassment.

If the employer believes after a proper investigation that there is a serious risk of harm to the people in the workplace, he or she can follow a formal procedure, regardless of what the complainant wants. The complainant must obviously be informed of this.

WHEN IS AN EMPLOYER LIABLE IN A CASE OF SEXUAL HARASSMENT?

If an employer is liable for sexual harassment this could have severe financial implications.

Section 60 of the EEA says that if an employee, while at work, engages in any conduct that goes against the Act (for example, sexual harassment), then the conduct must immediately be brought to the attention of the employer.

The employer must consult all relevant parties and take necessary steps to stop the conduct. If the employer fails to take the necessary steps and it is proved that the employee is guilty of sexual harassment, then the employer will be liable for the conduct.

However, if the employer can prove that he or she did everything that was reasonably possible to create an environment free of sexual harassment, for example, by adopting a sexual harassment policy and communicating this to the workplace, then these actions could shift the liability of the employer.

COMMON LAW

An employer can be liable in terms of the common law if he or she does not provide a safe working environment. In the *Media 24 Ltd* and another v Grobler case, the court held that the employer has a legal duty to take reasonable steps to prevent sexual harassment of its employees in the workplace and is obliged to compensate the victim for harm caused because of this.

The court also said that if a person gets Post-Traumatic Stress Syndrome arising out of or in the course of employment, the victim would have to claim compensation under the COIDA and would not be able to proceed with a civil claim against the employer.

WHAT IS THE ROLE OF A TRADE UNION IN DEALING WITH SEXUAL HARASSMENT IN THE WORKPLACE?

Management has certain obligations in terms of the Code which the trade union needs to see are enforced. These include:

- Adopting a sexual harassment policy in line with the 2005 Code
The Code does not say how a policy should be adopted but certainly it should be done in consultation with union representatives and employees.
The failure to adopt a workplace policy could impact on the employer's liability in the future.
- Communicate the policy to employees
An employer must communicate the policy effectively to employees.
The employer must therefore take active steps to provide education and training on sexual harassment and people's rights and obligations in the workplace.
- Conduct investigations
When management is informed of a sexual harassment complaint it must:
 - consult all relevant parties
 - take necessary steps to address and eliminate the sexual harassment. These steps include informing the complainant that he/she can follow formal or informal procedures to deal with the complaint,
 - offer the complainant advice, assistance and counseling
 - advise the complainant of the procedures to follow whether this is in an informal or formal way
- Create an environment that is free of sexual harassment
Management, together with the union, must aim to create an environment that is free of sexual harassment by having a sexual harassment policy; communicating the policy to employees, and dealing effectively - in terms of the policy - with cases brought to its attention. This obligation also means implementing formal procedures where the risk is serious to other employees (even where the complainant has no wish to proceed with action).

THE MERCHANT SHIPPING ACT

The *Merchant Shipping Act 57 of 1951 (MSA)* says that the *Labour Relations Act* and the *Wage Act* apply to all employees at sea. It says that if there is conflict between the provisions of the MSA and the provisions of a Bargaining Council Agreement or Wage Determination, the provisions of the Agreement or Determination will apply.

The MSA covers employees who are at sea within South Africa's territorial waters. If employees at sea are outside the territorial waters of South Africa, then an Agreement or Determination will apply to employees who:

- Are employed on a ship which is registered in South Africa
- Even if the ship is not registered in South Africa, are employed on a ship which spends all its time working between ports in South Africa.

Disputes and ways of settling disputes

WHAT IS A DISPUTE?

A dispute is any serious disagreement between two parties. For example, there could be a dispute over a problem of discipline in the workplace, over complaints (also called 'grievances') which employees have, or over dismissals. There can also be disputes over wages and other working conditions.

So, there are different kinds of disputes. You can have a **dispute about making new rights**, for example employees wanting to get paid higher wages or the employer bringing in a new pension or provident fund scheme which employees must belong to. These disputes are also called **disputes of interest**. These disputes are often handled by a union and are the subject of negotiation and possible industrial action (strike action) where agreement cannot be reached. The *Labour Relations Act* describes structures and processes which can be used to resolve disputes of interest. The Act also governs the procedures for taking industrial action.

There are also **disputes over rights which already exist** in a contract, a law, an agreement or in custom and practice. These kinds of disputes are called **disputes of right**. They usually involve an unfair dismissal (for example retrenching employees without consulting with the employees) or unfair discrimination or an unfair labour practice (such as 'removal of benefits'). The *Labour Relations Act* sets out how disputes over rights in the workplace must be handled and the *Employment Equity Act* sets out how discrimination will be dealt with in the workplace.

(See page 220 Labour Relations Act; page 213 Employment Equity Act)

A dispute of right can also happen when an employer or employee doesn't obey a term or condition of a wage regulating measure, for example the *Basic Conditions of Employment Act*, a Bargaining Council Agreement (or other collective agreement), Wage Determination, Sectoral Determination, or a ministerial exemption. *(See page 184 Laws about terms and conditions of employment)*

EXAMPLE

An example of a dispute of right is where an employer doesn't pay an employee the correct leave pay or where an employee is dismissed without the employer following a fair procedure. Enforcement and disputes about terms and conditions of employment that fall under these laws should be dealt with by the relevant Bargaining Council or the Department of Labour.

DISPUTES OF INTEREST

The *Labour Relations Act (LRA)* sets out structures and processes which can be used to resolve disputes of interest. The outcome of disputes of interest will depend on the relative strength of employees and employers. Each party may use different strategies to win what they want.

Employees can take **industrial action over disputes of interest**, like strikes, work stoppages and go-slows once they have complied with prescribed dispute procedures. Employees cannot strike over disputes of rights under the LRA (e.g. unfair labour practices and unfair dismissals). Disputes of right are referred to arbitration at the CCMA or the Bargaining Council.

The LRA governs the procedures that must be followed before industrial action can be taken by employees (strikes) or by the employer (lock outs).

DISPUTES OF RIGHT

WHERE THERE IS NO BARGAINING COUNCIL

If it is a dispute about **enforcing** a right under the *Basic Conditions of Employment Act (BCEA)*, a Sectoral Determination or a Wage Determination or the *Occupational Health and Safety Act*, then a complaint can be sent to the Department of Labour.

The complaint can include a request for a 'compliance order' which is issued by an inspector of the Department. *(See page 189 Enforcement of the BCEA; page 196 Enforcement of a workplace-based collective agreement; page 198 Enforcement of a Sectoral Determination; page 215 Enforcement of the OHSA)*

If it is a matter of **enforcing** a right or a **dispute of rights** under the *Labour Relations Act (LRA)* (for example, an alleged unfair dismissal) where no bargaining council exists in that sector then the matter should be referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) for conciliation. If the dispute concerns a dismissal, it must be referred within 30 days of the date of dismissal. If it concerns an Unfair Labour Practice, then the dispute must be referred within 90 days of the alleged unfair practice occurring.

(See page 229 Solving disputes under the LRA)

If conciliation fails then refer the dispute to arbitration within 90 days of receiving the certificate of failed conciliation from the CCMA. The CCMA will hear disputes over a BCEA issue if it is related to a matter which is being arbitrated by the CCMA (for example, a claim of unfair dismissal is before the CCMA together with a claim for unpaid leave pay).

WHERE THERE IS A BARGAINING COUNCIL

If it is a dispute of rights under a Bargaining Council Agreement then the problem should be referred to the Bargaining Council for enforcement or conciliation. If conciliation fails then refer the dispute to arbitration within 90 days of receiving the certificate of failed conciliation from the Bargaining Council.

THE LABOUR RELATIONS ACT (LRA)

The *Labour Relations Act (No 66 of 1995)* governs how employers and employees should deal with each other and what rights trade unions and employer organisations have in the workplace. It is not about terms and conditions of employment.

The LRA deals with rights of individuals regarding fairness, bargaining and dispute resolution and rights and obligations of trade unions.

WHO IS COVERED BY THE LRA?

Except for members of the South African National Defence Force, National Intelligence Agency and Secret Service, all employees are covered by the LRA. So this includes, farmworkers, domestic workers and public sector employees (such as teachers, nurses, police, etc who work for the state).

An independent contractor is not defined as an 'employee' and is therefore excluded from the LRA and BCEA provisions.

WHAT DOES THE LRA COVER?

The LRA covers things like:

- Rights of employees to form and join a union
- Rights of employers to form and join an employers' organisation
- The rights of trade unions in the workplace
- Collective bargaining
- Bargaining councils and statutory councils
- The establishment of workplace forums, which allow employees to participate in management decisions at work
- Fair and unfair labour practices
- Procedures that must be followed for dismissals to be fair

- Dispute resolution structures and procedures, including the Commission for Conciliation, Mediation and Arbitration
- Industrial action

WHO IS AN EMPLOYEE?

According to the LRA, an employee meets one or more of the following standards:

- The person's hours are subject to control.
- The person forms part of the organisation.
- The person has worked for an average of 40 hours or more over the last three months for that company.
- The person is economically dependent on the company to whom the services are rendered.
- The person is provided with the tools for completion of the work by the employer, or
- The person only has one employer to whom their services are rendered.

UNFAIR LABOUR PRACTICES

The *Labour Relations Act (LRA)* prohibits unfair labour practices. An unfair labour practice is any unfair act or omission at the workplace, involving:

- Unfair conduct of an employer relating to the promotion or demotion or probation of an employee
- Unfair conduct relating to the provision of training of an employee
- Unfair conduct relating to the provision of benefits (for example, pension, medical aid, etc) to an employee
- Unfair disciplinary action against an employee (short of a dismissal) (for example, a final written warning or unfair suspension)
- The refusal to reinstate or re-employ a former employee in terms of any agreement (for example, following a retrenchment)
- An occupational setback in contravention of the *Protected Disclosures Act (No 26 of 2000)* because an employee has made a protected disclosure defined in that Act. For example, an employee is denied overtime because he made a disclosure in terms of the *Disclosure of Information Act*.

References to unfair discrimination against an employee in the LRA have been transferred to the *Employment Equity Act (No 55 of 1998) (EEA)* so 'unfair discrimination' in the workplace is no longer defined as an unfair labour practice in the LRA. The EEA lists the grounds for non-discrimination in the workplace and describes the steps that a person can take if they believe they have been discriminated against on any of the listed grounds.

(See page 213 *Employment Equity Act*)

WHAT STEPS CAN BE TAKEN IF AN UNFAIR LABOUR PRACTICE IS COMMITTED?

Disputes over alleged unfair labour practices must be referred within 90 days of the alleged unfair labour practice being committed (or of the employee becoming aware of the Unfair Labour Practice). The referral must be to the CCMA or Bargaining Council.

(See page 229 *Solving disputes under the LRA*)

Dismissals

WHAT IS A DISMISSAL?

Dismissal means that:

- An employer terminates a contract of employment with or without notice
 - **With notice** means the employer tells the employee to leave work after working for the required term of notice as prescribed in the contract of employment. The employee gets paid for the time he or she worked, plus any leave pay (if this is owing).
 - **Without notice** means the employee leaves immediately and is not paid out notice. Dismissal without notice is called '**summary dismissal**'. Whilst summary dismissal might take place where an employee is guilty of a very serious act (for example theft), it will still be procedurally unfair if a fair hearing has not been held before the dismissal.
 - Where notice is to be paid, the notice pay must be what is prescribed as notice in the contract of employment, for example, 1 week's pay instead of 1 week's notice. The payment must include the value of payment in kind if this applies to a particular sector. Employees must therefore get wages for the hours worked, plus any leave pay plus payment in lieu of notice. If the employee has been summarily dismissed (with fair reasons and following a fair hearing), this means the employee has to leave immediately and the employer does not have to make any payment in lieu of notice.
- A contract employee whose fixed-term contract is suddenly ended or renewed on less favourable terms, where the employee expected the contract to be renewed because it has often been renewed before or because an expectation exists that the employment will be ongoing.
- a woman who is not taken back into her job after her maternity leave
- An employer dismisses a number of employees for some reason (for example for being on strike) and offers to re-employ one or more but not all.
- An employee who was forced to walk out or resign because the employer made the working environment impossible to tolerate.
- The employee leaves his/her work (with notice or without notice) because a new employer has taken over the business and is not paying the employee the same wages and conditions of employment are not the same as he/she enjoyed before.
- Employees have been **retrenched**. The employer must pay the employee **severance pay** of at least 1 week's remuneration for every full year that the employee worked for the employer. The payment must include the value of payment in kind. So the employee must get wages for the hours worked, plus any leave pay, plus notice or payment in lieu of notice, plus severance pay.

Employees in these circumstances are entitled to fair dismissal reasons and fair dismissal procedures under the LRA. An employee could claim unfair dismissal through the CCMA or relevant Bargaining Council.

AUTOMATICALLY UNFAIR DISMISSALS

The LRA defines certain dismissals as 'automatically unfair'. An automatically unfair dismissal must be referred to the CCMA or Bargaining Council for conciliation. If the dispute is not resolved at conciliation then the matter automatically goes to the Labour Court for adjudication. The following reasons for dismissal are invalid and any dismissal will be regarded as 'automatically unfair' if the employee is dismissed for:

- Exercising any of the rights given by the LRA or participating in proceedings in terms of the Act.

- Taking part in lawful union activities (ie organising members in the trade union)
- Taking part in a legal strike or other industrial action or protest action
- Refusing to do the work of someone who was on strike
- Being pregnant, or any reason related to pregnancy
- Refusing to accept a change in working conditions
- Reasons that are due to arbitrary discrimination (except that an employer may retire someone who has reached the normal or agreed retirement age, or if the reason is based on an inherent requirement of the job, for example being able to speak a certain language in order to do the job properly)
- A reason related to a transfer following a merger of the company with another organisation
- Where the employee is dismissed following a disclosure made by him in terms of the *Disclosure of Information Act*.

WHEN IS A DISMISSAL FAIR OR UNFAIR?

The LRA has a Code of Good Practice for Dismissals that employers must follow. The 'fairness' of dismissal is decided in two ways – *substantive fairness* and *procedural fairness*.

SUBSTANTIVE FAIRNESS

Was there a 'fair' reason to dismiss the employee?

Was dismissal appropriate under the circumstances?

The employer must have a proper and fair reason for dismissing the employee. A 'fair' reason can be one of these:

- **Misconduct** – the employee has done something seriously wrong and can be blamed for the misconduct. *(See next page Dismissal for misconduct)*
- **Incapacity** – this includes poor performance where the employee does not do the job properly, or the employee is unable to do the job due to illness or disability, or a lack of skills. *(See page 226 Dismissal for incapacity)*
- **Retrenchment or redundancy** – the employer is cutting down on staff or restructuring the work and work of a particular kind has changed. *(See page 226 Retrenchment or redundancy dismissal)*

PROCEDURAL FAIRNESS

Was a fair procedure followed before the employee was dismissed?

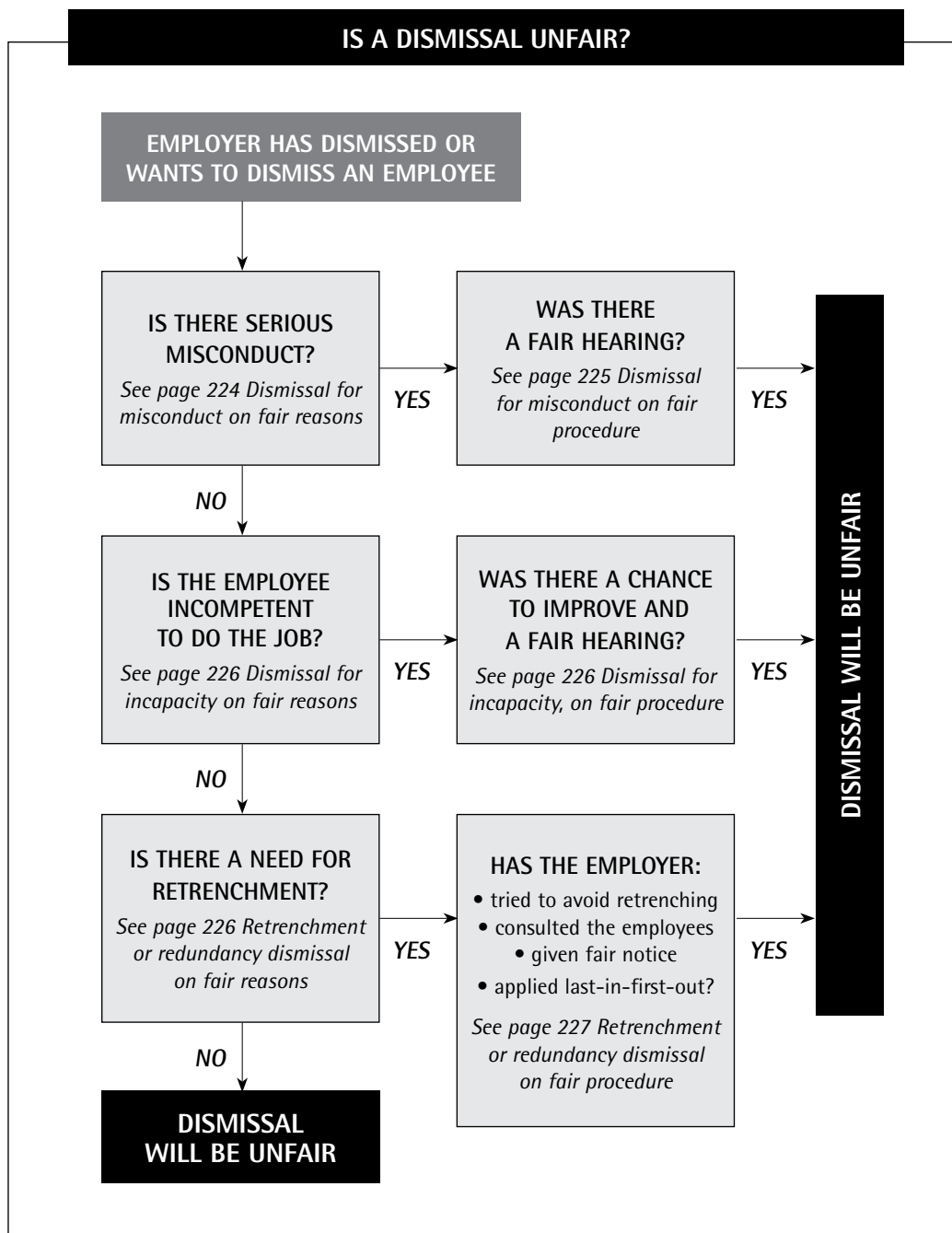
The employee must always have a fair hearing before being dismissed. In other words, the employee must always get a chance to give his or her side of the story before the employer decides on dismissal.

The employee must also be allowed to bring any witness (character witness etc), have the meeting conducted in a language which they are comfortable in, and should be allowed outside representation if s/he feels that it is necessary.

If an employee feels a dismissal was unfair, either substantively or procedurally, then this can be referred to the CCMA for conciliation and thereafter arbitration, if this is necessary. Other aspects of a fair procedure are explained below under the different reasons for dismissal.

(See page 261 Problem 4: Dismissed employee wants the job back - how to apply for reinstatement or compensation)

(See page 263 Problem 6: Employee is dismissed for being drunk on duty (with no previous record of drunkenness))



DISMISSAL FOR MISCONDUCT

FAIR REASONS

Employers are encouraged to adopt clear rules of conduct that are known to all employees. Some rules may be so well established or obvious that everyone can be expected to know them, for example that violence at work is not acceptable.

Dismissals for misconduct will only be fair if:

- The employee broke a rule of conduct in the workplace
- The rule was reasonable and necessary
- The employee knew of the rule or should have known of the rule
- The employer applied the rule consistently (there are no other employees who have been allowed to get away with this misconduct)

- it is appropriate to dismiss the employee for this reason, rather than taking less serious disciplinary action or imposing a lesser penalty such as a final warning

Corrective or progressive discipline must be used for misconduct. The aim of corrective discipline is to correct the employee and help him or her overcome the problem. Progressive discipline can get stronger every time the employee repeats the misconduct.

Employees should not be dismissed for a first offence, unless it is very serious, such as gross insubordination or dishonesty, intentional damage to the employer's property, putting others' safety at risk, or physical assault of a co-employee.

Employees can be dismissed for misconduct if they go on strike without following the procedures. The employer should contact a trade union official and tell the official of the planned dismissals and try to give employees an ultimatum with enough time to consider the ultimatum.

Before deciding to dismiss the employee for misconduct, the employer must consider the following:

- The employee's circumstances (for example length of service, previous disciplinary record, personal circumstances)
- The nature of the job
- The circumstances in which the misconduct took place

FAIR PROCEDURES

Employers must keep records for each employee, which say what offences an employee committed, what disciplinary action was taken, and why the action was taken.

If there is repeated misconduct, the employer must give the employee warnings. A final warning for repeated misconduct or serious misconduct must be given in writing.

There must be a fair hearing:

- If the employee is a shop steward, the employer must first inform and consult the union before the disciplinary hearing.
- The employee must know in advance what the charges are against him or her.
- The employee must be given enough time to prepare for a hearing (approximately 1 or 2 working days).
- The employee must be present at the hearing and be allowed to state his or her case.
- The employee must be allowed to be represented at the hearing by a shop steward or co-employee of his/her choice.
- The employee must be allowed to see documents and cross-examine evidence used against him or her.
- The employer should bring all witnesses against the employee to the hearing. The employee should have a chance to cross-examine witnesses called against him or her.
- The employee should be allowed to call witnesses.
- The employee must be given reasons for any decisions taken.
- The chairperson of the hearing should not be biased against the employee charged with misconduct.

Sometimes, if the employer has only a very small business, there might be some leniency as to how the employer meets all these requirements.

DISMISSAL FOR INCAPACITY

FAIR REASONS

A dismissal for incapacity can be for:

- Poor work performance
- Physical disability or ill health
- Incompatibility or where the employee is unsuitable to continue in the position.

When deciding whether a dismissal for incapacity was fair or not, the following must be considered:

- Whether the employee failed to work to a required standard
- Whether the employee was aware of the standard
- Whether the employee was given a fair chance to meet the standard
- Whether dismissal is the appropriate outcome for failing to meet the standard.
- Whether the incapacity is serious and what the likelihood is of an improvement.
- Whether the employee could be accommodated in an alternative position should one be available.

FAIR PROCEDURES

Dismissals for poor performance will only be fair if the employer:

- Has given the employee proper training, instructions, evaluation, guidance and advice
- Assessed the employee's performance over a reasonable period of time
- Investigated the reasons for continued poor performance
- Investigated ways of solving the problem without resorting to dismissal
- Gave the employee a chance to be heard before deciding to dismiss
- Considered employing the employee in an alternate and appropriate position should one be available.

Dismissals for (temporary/permanent) ill health or disability will only be fair if the employer:

- Investigated the degree and duration of the injury or incapacity
- Considered ways of avoiding dismissal, for example getting a temporary employee until the sick employee is better
- Tried to find alternative work for the employee to do
- Tried to adapt the work so that the employee could still do it
- Gave the employee a chance to be heard before deciding to dismiss

How badly ill or disabled the employee is (degree of incapacity) and for how long he or she is likely to remain ill or disabled (duration of incapacity), as well as the reason for the incapacity will be considered when deciding whether the dismissal is fair or not. More effort is expected of the employer if the employee was injured or got sick because of their work.

(See page 271 Problem 18: Employee is injured on duty and loses the job)

RETRENCHMENT OR REDUNDANCY DISMISSAL

FAIR REASONS

An employer is allowed to retrench employees for 'operational requirements' based on the employer's 'economic, technological, structural or similar needs'.

EXAMPLES

ECONOMIC REASON

The employer says the business is losing money.

TECHNOLOGICAL REASONS

The employer is getting a machine to do work that employees did by hand before, or the employer's new machines need different skills to operate them than the existing employees' skills.

STRUCTURAL REASON

The employer is restructuring the business by combining two departments so has not further need for two Heads of Departments.

FAIR PROCEDURES

When an employer considers retrenchment, he or she must consult:

- Whoever a collective agreement says must be consulted, or if none exists:
- The workplace forum, or if none exists:
- The union, or if none exists:
- The employees themselves

The employer must issue a written notice inviting the other party to consult with it and make all the relevant information available in writing at the consultations, including:

- Reasons for retrenchment
- Alternatives considered including redeployment
- Number of employees to be retrenched
- How it will be decided which employees to retrench
- When the dismissals will take place
- Severance pay
- What other help the employer will give to the employees who will be retrenched
- Possibilities of future re-employment for these employees
- Number of employees employed by the employer
- Number of employees the employer has retrenched during the past 12 months

The employees the employer is consulting with must be allowed to have their say and make suggestions on any of these issues. If the employer rejects what they say, he or she must give reasons in writing if the employees have submitted their representations in writing.

The consultation process is a 'joint consensus seeking' process. In other words the parties try and reach an agreement on the different issues, such as:

- Whether retrenchment is justified and ways to avoid retrenchments
- Ways to reduce the number of people retrenched
- Ways to limit the harsh effects of retrenchment
- The method and criteria for selecting employees to be retrenched; if there is no agreement, the employer must use fair and objective criteria
- Severance pay: employees can negotiate for higher severance pay than the LRA prescribes (which is 1 week's pay for every year of service)

If employees and the employer cannot agree, disputes over the procedures for retrenchment can be referred to the CCMA for conciliation and thereafter the Labour Court. If the retrenchment involves a single employee, the employee can challenge the fairness of the dismissal at the CCMA rather than the Labour Court,

if he or she wishes. A dispute about the amount of severance pay, is finalised at the CCMA by arbitration. Section 189A of the *Labour Relations Act*, has special provisions for retrenchments in companies that employ more than fifty employees. The provisions can be used by parties, if both agree to this, to help them reach an agreement. The provisions allow for an outside facilitator to help facilitate the process and the right to strike over retrenchments as a final resort.

(See page 263 Problem 5: Retrenchment)

WHAT STEPS CAN BE TAKEN IF THERE IS AN UNFAIR DISMISSAL?

If an employee thinks that the dismissal was unfair, in other words that the employer didn't follow fair procedures or there is not a 'good reason' for the dismissal, then the employee can try to challenge the dismissal. If a dismissal is found to be unfair, the employee will be able to get reinstated or re-employed, or get compensation money.

Reinstatement means the employee gets the job back as if she or he was never dismissed. Re-employment means the employee gets the job back, but starts like a new employee.

The employee is likely to get compensation if:

- The employee does not want the job back
- The circumstances surrounding the dismissal would make the relationship between employee and employer intolerable
- It is not reasonably practical for the employer to take the employee back
- The dismissal is unfair merely because the employer failed to comply with a fair procedure, but there was a good reason for dismissal (procedural or substantive unfairness)
- The dismissal was grossly unfair yet they still returned to their old job

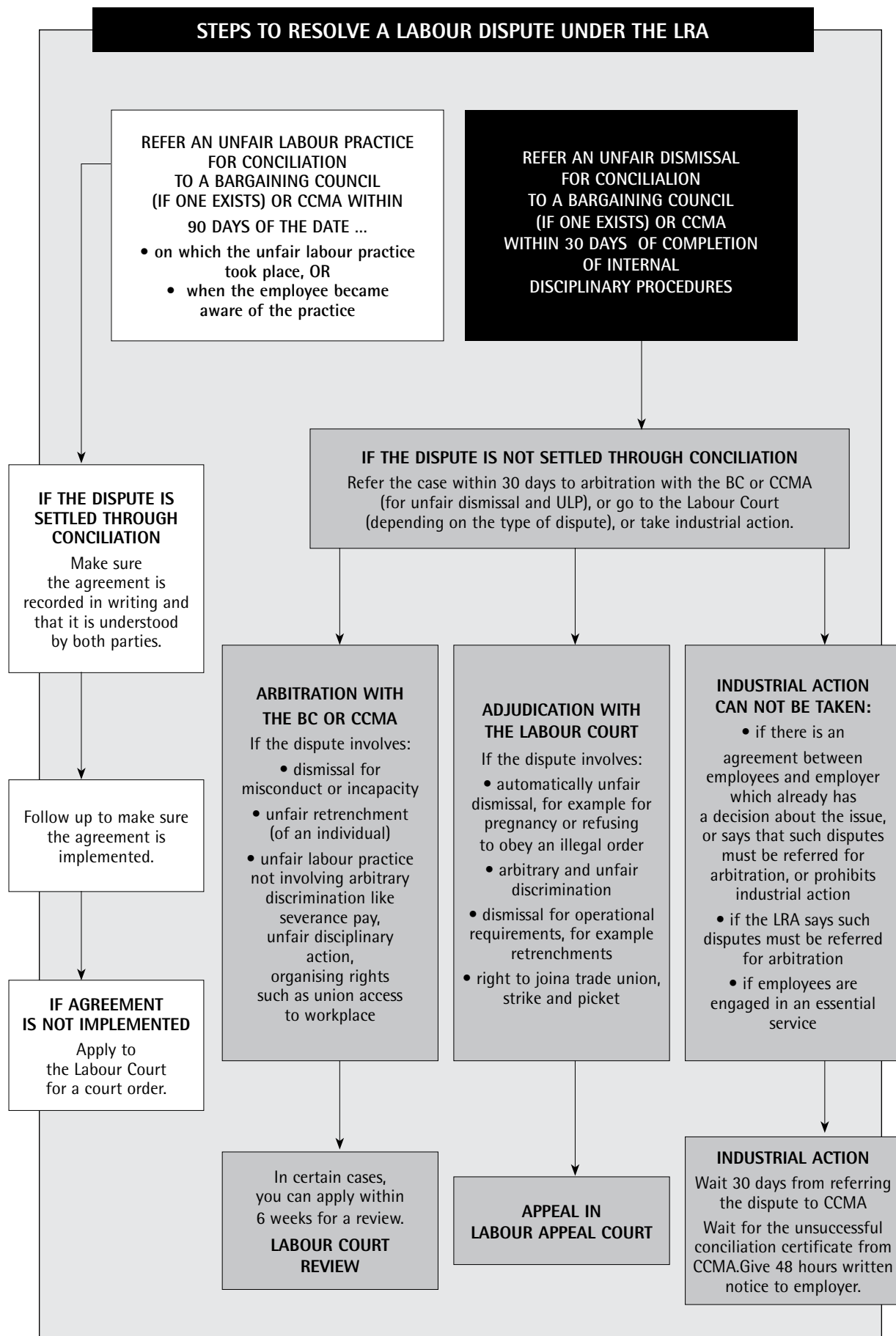
The employee can get up to 12 months' wages as compensation for an unfair dismissal. If it was an automatically unfair dismissal the employee could get up to 24 months' wages as compensation.

The *Labour Relations Act* sets out the procedures to be followed to resolve disputes over unfair labour practices and unfair dismissals. The steps are summarised below. This section looks in detail at conciliation, arbitration and adjudication.

(See page 261 Problem 4: Dismissed employee wants the job back – how to apply for reinstatement or compensation)

(See page 263 Problem 6: Employee is dismissed for being drunk on duty [with no previous record of drunkenness])

Solving disputes under the LRA



CONCILIATION BY THE CCMA OR BARGAINING COUNCIL

Conciliation is a process to bring the two sides in a dispute together after they have reached a deadlock. In conciliation, an independent and neutral third party is used to mediate between the two sides. Under the *Labour Relations Act*, the conciliator/mediator is a commissioner from the CCMA or Bargaining Council.

HOW TO REFER THE DISPUTE TO THE RIGHT BODY

Find out whether there is a Bargaining Council covering the sector that the employee works in. If there is a Bargaining Council, phone that Council and find out the steps you should take to refer the matter for conciliation. If there is no Bargaining Council, the dispute must be referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) for conciliation. Do the following:

- Fill in form LRA 7.11.
- Send a copy of the form to the employer, by fax, registered mail or personal delivery.
- Send a copy to the CCMA, by fax, registered mail or personal delivery. Attach proof that you have sent a copy to the employer, for example a fax transmission slip, registered mail slip, or affidavit confirming personal delivery of form LRA 7.11.

If the employee does not want conciliation and arbitration (known as 'Con-Arb') to take place on the same day with the same commissioner, he or she must note this in the appropriate space on the dispute Form 7.11. *(See page 285 LRA Form 7.11)*

APPLYING FOR CONDONATION IF THE REFERRAL IS LATE

If more than 30 days have passed since the dismissal (or 90 days if it is an unfair labour practice) took place, the employee will have to apply for condonation, which is like an extension of the deadline and an application for late submission. If a Bargaining Council will deal with the matter, he or she will need to make an application for condonation and submit this application together with the LRA 7.11 form.

If the CCMA will deal with the matter, the employee can apply for condonation in form LRA 7.11, or the CCMA will ask him or her to fill in condonation forms if they didn't do it on form LRA 7.11. If the application is late, the CCMA will not process the referral if the employee has not made an application for condonation together with the referral of LRA 7.11 form.

Condonation may be granted if the employee is able to give good reasons for being late with the application. When applying for condonation the employee should focus on the following:

- 'Degree of lateness' of the application (how many days/weeks/months late is it) and an explanation of why the application is late.
- The prejudice to the parties
- The likelihood of success of the case
- The measure of 'public interest' that applies if the case goes ahead (only if this is appropriate)

Application for condonation must be in the form of an affidavit.

(See page 612 Affidavits)

THE CONCILIATION MEETING

The commission will arrange a venue and time for the conciliation, and will inform both parties. At the conciliation meeting, the commissioner meets with the two parties to the dispute to find ways to settle the dispute to everyone's satisfaction. The meeting is conducted in an informal way and the commissioner can meet the

parties together or separately, as often as is needed. The commissioner has the power to subpoena any person to attend the meeting.

The commissioner must try to resolve the dispute within 30 days of it being referred to the CCMA or Bargaining Council. The employee/s and employer are free to agree to any solution to settle the dispute at a conciliation meeting.

A certificate will be issued by the commissioner at the end of the meeting to say whether the dispute has been settled or not.

WHO CAN REPRESENT EMPLOYEES AND EMPLOYERS IN A CONCILIATION MEETING?

Employees can be represented by a co-employee, or a trade union office bearer or official. If the dispute does not concern alleged unfair dismissal for misconduct or incapacity either party can be represented by an attorney.

The employer can be represented by an employee of the business (like the Human Resources Manager) or by a representative of an employers' organisation, but not an attorney.

SUCCESSFUL CONCILIATION

If the conciliation is successful, an agreement is reached which both parties must follow. If they do, the matter is resolved and ends here.

WHAT HAPPENS IF THE CONCILIATION AGREEMENT IS NOT COMPLIED WITH?

If either party breaks the agreement, the other party may apply to the Labour Court to have the agreement made into a court order. These are the steps to follow:

- Obtain the application forms from the Registrar of the Court and fill them in.
- Attach a copy of the agreement and an affidavit to the application. The affidavit must state:
 - when the dispute was referred for conciliation
 - when the conciliation meeting was held
 - when the agreement was made
 - what happened after the agreement was made
 - whether demands have been made
 - whether the employee has kept his or her part of the agreement
- Serve the application on the employer.
- File the application, and proof that you have served notice on the employer, with the Registrar of the Court.

UNSUCCESSFUL CONCILIATION

If the two parties cannot reach an agreement, or the employer refuses to attend the conciliation meeting, the commissioner will issue a certificate stating that the matter has not been resolved. The certificate will be sent to both parties by the commissioner's office. Either party can then refer the matter for arbitration to the CCMA or adjudication at the Labour Court, depending on the nature of the dispute.

Disputes over these matters are referred to the **CCMA or Bargaining Council for arbitration**:

- Unfair labour practices that do not involve discrimination
- Dismissals for acts of misconduct (the employer says the employee did something wrong)

- Dismissals for incapacity (the employer says the employee can't do the work properly)
- Severance pay
- Disputes concerning organisational rights for a trade union
- Alleged unfair retrenchment where the retrenchment involved an individual employee.
- Breach of a collective agreement
- Disputes over the granting of organisational rights

Disputes over these matters are referred to the **Labour Court for adjudication:**

- Disputes that involve discrimination
- Retrenchments
- Automatically unfair dismissals (*See page 222 Automatically unfair dismissals*)

If the parties believe that it is going to be too expensive to take the matter to the Labour Court, they can agree to have the matter arbitrated by the CCMA or Bargaining Council, even if the matter falls within the jurisdiction of the Labour Court.

ARBITRATION BY THE CCMA OR BARGAINING COUNCIL

WHAT IS ARBITRATION?

Arbitration means the two sides (or parties to the dispute) agree to use a third party to settle a dispute. A third party is someone who is not from the union or employer's side. **The arbitrator acts as judge to decide the dispute.** Under the LRA, the arbitrator is a commissioner from the CCMA or Bargaining Council. After hearing what both parties have to say, the commissioner can make a ruling that is legally binding and must be accepted by both parties.

HOW TO REFER A CASE FOR ARBITRATION

If there is a Bargaining Council which regulates the sector that the parties work in, then the matter must be resolved according to the rules of that Council. Contact the relevant Council to find out what to do if the employee wants to refer the matter to arbitration. In some cases, even though there is a Bargaining Council, the arbitration may be done by the CCMA.

To refer the matter to the CCMA for arbitration:

- Fill in form LRA 7.143.
- Send a copy of the form to the employer, by fax, registered mail or personal delivery.
- Send a copy to the CCMA, by fax, registered mail or personal delivery. Attach proof that you have sent a copy to the employer, for example a fax transmission slip, registered mail slip, or affidavit confirming personal delivery.
- This referral form LRA 7.143 must be sent to the CCMA or the Bargaining Council within 90 days of receiving the certificate from the CCMA indicating that conciliation has not been successful.

THE ARBITRATION HEARING

The CCMA or Bargaining Council will appoint a commissioner to arbitrate, will set the time and venue, and inform both parties. The arbitration hearing is relatively informal and the commissioner will encourage the parties to focus on the real merits of their cases, and to avoid legal technicalities.

After hearing evidence from both parties under oath, the commissioner can make a ruling that is legally binding and must be accepted by both parties.

If the commissioner decides that the employer was wrong, the commissioner can order the employer to take certain steps or to pay compensation.

(See page 291 Checklist to prepare for an arbitration)

WHO CAN REPRESENT EMPLOYEES AND EMPLOYERS IN AN ARBITRATION PROCEDURE?

Employees can only be represented by a fellow employee, an attorney (where the case does not involve misconduct or incapacity dismissal), a union official or union office bearer. Employers can only be represented by an attorney where the dispute is not a misconduct or incapacity dismissal, an employee of the business, or a representative from an employers' organisation.

In cases involving dismissal for misconduct or incapacity, attorneys are not allowed unless the commissioner specifically allows this.

Legal aid will only be granted to an employee in cases where the LRA allows for attorneys to be present, and cases where the commissioner specially allows attorneys.

(See page 159 Applying for legal aid)

ARBITRATION APPEALS

There is no appeal against an arbitration award.

But either party may request the Labour Court to review the arbitrator's decision, if they think:

- The arbitrator exceeded her or his powers
- There was something legally wrong in the proceedings
- The arbitrator did not consider relevant issues in accordance with the law

They must ask for a review within 6 weeks of receiving the arbitration decision.

ADJUDICATION BY THE LABOUR COURT

WHAT IS ADJUDICATION?

Adjudication is a formal court judgment, that is legally binding on all parties.

The Labour Courts are set up under the LRA and are based at the High Court in each province. The Labour Court has the same status as the High Court.

HOW TO REFER A CASE FOR ADJUDICATION

If a case goes to the Labour Court for a court judgment (adjudication), phone the Registrar of the nearest Labour Court to get the necessary referral forms. The judge will hear evidence from both sides and make a judgment.

WHO CAN REPRESENT EMPLOYEES AND EMPLOYERS IN A LABOUR COURT CASE?

Employees and employers are entitled to be represented by a attorney in Labour Court cases. Legal aid may be granted to pay for the employee's attorney.

(See page 159 Applying for legal aid)

ADJUDICATION APPEALS

A Labour Appeal Court can hear appeals, and has the same status as the Supreme Court of Appeal. If either party does not agree with the decisions of the Labour Court, they can appeal to the Labour Appeal Court.

Taking industrial action

Industrial action is used where employees want new or better conditions at the workplace and wish to use strike action in a 'dispute of interest' which involves creating new terms and conditions of their employment. Stayaways, strikes, work stoppages, go-slows, work-to-rule, and union bans on overtime, and lock-outs, are all forms of industrial action. Industrial action can be protected (legal) or unprotected.

Protected industrial action complies with the rules and procedures set out in the *Labour Relations Act (LRA)*. If the industrial action complies with the law, then employees may not be dismissed by their employer for taking such action.

Unprotected industrial action does not comply with the rules and procedures set out in the LRA. The courts are not sympathetic towards employees who go on an unprotected strike. If an employer dismisses employees who go on an unprotected strike, it is not likely that the court will help these employees.

WHEN IS INDUSTRIAL ACTION NOT PERMITTED?

Industrial action is not permitted when:

- The employers and employees have entered into a collective agreement which prohibits strikes or lock-outs around the issue being disputed
- The employers and employees have entered into an agreement which regulates the issue being disputed
- The law or the collective agreement says that the issue being disputed should be resolved through arbitration or the labour court. For example, the LRA says that unfair dismissals and unfair labour practices must be referred to arbitration or the labour court. **Employees cannot strike over unfair dismissal or unfair labour practices. Strikes over retrenchments are legal if the correct consultation processes have been followed.**
- There has already been arbitration about the issue, and an arbitration decision was made which regulates the issue.
- Employees are employed in an **essential service** or a maintenance service. An essential service is where the life, safety or health of another person will be endangered if work is interrupted to go on strike. A maintenance service is where machinery or the factory will be damaged if work is interrupted. In these cases, disputes must go to arbitration. Parliament and the South African Police Services are classified as essential services in the LRA. There is an Essential Services Commission which decides which other employees provide an essential or maintenance service, and so may not go on strike.

Although employees in essential services may not go on strike, the LRA provides other ways for them to resolve disputes. In most cases, where the parties are unable to reach an agreement around their dispute, either party may refer the dispute to compulsory arbitration by the Commission for Conciliation, Mediation and Arbitration or the relevant Bargaining Council.

In all other cases, employees have the right to strike, and every employer has the right to lock-out, provided they follow the correct procedures first. This includes the right to strike over wages and conditions of employment, and to strike in solidarity with other legally striking employees.

WHAT PROCEDURES MUST BE FOLLOWED BEFORE INDUSTRIAL ACTION IS PROTECTED?

- If employees are planning to strike in solidarity with other employees in another company who are legally striking (a secondary strike), the employees must give their employer 7 days' notice in writing.

- If the employees are not part of a collective agreement with an alternate dispute resolution procedure, the dispute must be referred to the CCMA or the relevant Bargaining Council after the opposing party has received a copy of the Referral of Dispute Form (LRA 7.11).

In order for other strikes or lock-outs about disputes to be protected, employees or the employer must follow these steps:

- If the employees are part of a collective agreement which has a dispute resolution procedure, then that procedure must be followed.
- Otherwise the dispute must be referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) or the relevant Bargaining Council. The CCMA or Bargaining Council must try to settle the dispute within 30 days of receiving the dispute. If conciliation is successful, it means both parties are satisfied and no industrial action will be taken.
- If conciliation within 30 days is unsuccessful, the parties must wait until the CCMA or Bargaining Council sends or provides them a certificate which states that the dispute has not been resolved. Only then can either party take further steps towards industrial action.
- In the case of a proposed strike, the employees must give the employer at least 48 hours' written notice that they intend to take industrial action. If the employer is the state, the employees must give at least 7 days' notice. This notice must be specific about the time of the strike and what form the strike will take.
- In the case of a proposed lock-out, the employer must give the employees at least 48 hours written notice that it intends to lock the employees out.

If the employer locks employees out without following the procedures, the employees can immediately go on strike without following the procedures. If employees go on strike without following the procedures, the employer does not have to follow procedures to lock them out.

Where the employer illegally locks out the employees, a claim must be made against the employer because of this illegal lockout.

IF AN EMPLOYER UNILATERALLY CHANGES CONDITIONS OF EMPLOYMENT

If an employer makes changes to employees' conditions of employment without negotiating with employees, employees can refer a dispute to the CCMA or Bargaining Council. They can then give the employer 48 hours notice to restore the status quo (to take things back to what they were) failing which they can go on strike.

When referring the dispute to the CCMA or Bargaining Council and giving notice to the employer, employees can demand:

- That the employer not implement the changes, if the employer still plans to change their conditions, OR
- That the employer restore their original conditions of employment, if the employer has already changed their conditions

The employees can demand that the changes must be delayed:

- Until conciliation has taken place, or
- if no conciliation takes place, until 30 days have passed since the referral was received by the CCMA or Council

The employer must comply with the demand within 48 hours from the time it receives the notice failing which the strike can begin and the employees will be protected.

EMPLOYEES' AND EMPLOYER'S RIGHTS IN PROTECTED INDUSTRIAL ACTION

- Protected industrial action cannot be stopped by a court order unless it is deemed to be in the 'public interest' to do so. But an employer can ask the Labour Court to stop a solidarity or 'secondary' strike if it is unrelated to the 'primary' (first) industrial action.
- The employer may not discipline, victimise, intimidate or dismiss employees who take protected industrial action or who are being locked out, nor those who refuse to do the work of another employee who is on a protected strike.
- The employer can dismiss or take disciplinary action against employees for misconduct while taking industrial action, for example for violence or if they vandalise the employer's property.
- The employer cannot claim damages for lost production during the protected industrial action. (The employer **can** claim damages if the industrial action is unprotected!)
- The employer does not have to pay employees while they are on strike or legally being locked out. But employees who receive payment in kind (things like housing, electricity, water or food instead of money) can ask the employer to give them this part of their pay, and the employer cannot refuse. When the strike or lock-out is over, the employer can claim the value of the payment in kind made during the strike or lock-out back from the employees. This must be done through the Labour Court. The money cannot be deducted from the employees' pay without a court order or the employees' permission.
- An employer is entitled to recruit temporary (scab) labour while employees are on strike or when the employees are locked out by the employer where the lock out was introduced, only after the employees had gone on strike. If the employer locks out employees who have already started a strike, then the employer can use strike breakers to replace the strikers for the period of the strike.
- In exceptional circumstances the employer can retrench employees on strike. The employer must follow the procedures for retrenchment. If the employer then employs other employees in place of the retrenched employees, the employees can take the dispute to the Labour Court where the lockout is in response to a strike. If the employer did the lockout first, then he/she cannot employ temporary replacement labour.

TRADE UNIONS

Employees can organise themselves into employee organisations called trade unions. A trade union is controlled, run and paid for by its members. Organised employees in factories elect shop stewards and committees to represent them and report back to them in the workplace. The shop stewards and employees discuss the problems in the workplace and the shop stewards take the employees' problems to the management.

WHAT ARE THE AIMS OF TRADE UNIONS?

- To **negotiate** with employers for proper working conditions
 - for decent wages and conditions of work
 - for recognition by the employer of the unions and shop stewards in the workplace
- To **protect** employees
 - from unfair dismissal and unfair labour practices
 - from discrimination and abuse.

- To **educate** employees
 - on their rights and how to enforce these rights
 - on how to carry out their tasks in the trade union.
- To **represent** employees
 - to the employers and other authorities
 - to get benefits
- To take **legal action** when necessary.

PAYING UNION SUBSCRIPTIONS

When an employee joins a union, he or she will be asked to pay a subscription fee every month to become a member. These fees are also called 'subs'. The union uses the 'subs' to pay for its expenses such as salaries for union staff, office rental, transport for union staff, etc.

THE RIGHT OF EMPLOYEES TO FORM, JOIN AND TAKE PART IN TRADE UNIONS

The Constitution and the *Labour Relations Act* say that employees have the right to form and join trade unions. This right is called **freedom of association**. Employers are not allowed to make it a condition of employment that an employee must or must not belong to a trade union. It is the employee's choice. An employee also cannot be victimised because he or she is a member of a trade union. This means the employer cannot treat the employee unfairly or badly because the employee is a trade union member.

TRADE UNION RIGHTS IN THE WORKPLACE

A registered union, that has less than 40% membership of the workforce but which is sufficiently representative (around 30% of membership of the workforce as members) can apply for these rights:

- Access to the workplace for union office bearers and officials to hold meetings, etc
- To ballot its members
- To provide stop-order facilities for the deduction of 'subs' or trade union subscriptions

This percentage of membership is regarded as being 'sufficiently representative'.

A registered union that has a majority (more than 40%) of the employees as members at a workplace, can apply for the above rights as well as the following:

- Election of shop stewards/employee representatives
- Disclosure of information/the employer must give the union any information that is relevant for meetings and negotiations
- Time off for a representative to undertake trade union duties or have training

The union applies to the employer for these rights. Within 30 days the employer must meet the union. They make a collective agreement about these rights. The union can ask the CCMA to intervene if the employer refuses. The CCMA will try to mediate and if that fails, will arbitrate.

Unions that belong to Bargaining Councils or Statutory Councils automatically have these rights, even if they don't have many members at a workplace.

The CCMA is now required to consider the composition of the workforce, extending its parameters to include Temporary Employment Employees and any other in atypical working conditions.

Social services and benefits in the workplace

UNEMPLOYMENT INSURANCE FUND

The government has established the Unemployment Insurance Fund (UIF) with the aim of providing short-term relief to employees when they become unemployed, or are unable to work because of illness, maternity or adoption leave and also to provide relief to the dependants of a contributor who has died. If an employee becomes unemployed, the UIF will pay the employee for a maximum period of 6 months while that employee is unemployed. Employees, companies and the state contribute to this fund.

There are five kinds of benefits covered by UIF:

- Unemployment benefits
- Sick benefits
- Maternity benefits
- Adoption benefits
- Dependant's benefits

For more information on the UIF look up the Department of Labour website:

www.labour.gov.za

WHO IS A CONTRIBUTOR TO THE UIF?

All employees that work for more than 24 hours per month must contribute to the Fund. It is illegal for employers not to make the deductions from the employee's earnings. Even people earning high salaries (unless they are earning commission only) must contribute to the Fund, regardless of how much they earn. The Fund sets a ceiling amount of 178 464 per year (or R14 872 per month, or R3 432 per week). Any employee who earns above this threshold will only contribute up to this amount. If they become unemployed they will receive benefits at the level of the ceiling.

EXAMPLE

Vernon is a company administrator and he earns R15 000 per month. The current threshold for UIF is R14 872 per month so Vernon will pay 1% of R12 478 and the company will pay 1% of R14 872 every month on his behalf to the UIF. If Vernon becomes ill and wants to claim Illness Benefits, the UIF will only pay him a percentage of R14 872 (not of his current salary of R15 000). The actual amount he will be paid will depend on the number of days he has been contributing to the Fund.

WHO IS NOT COVERED BY UIF?

Certain employees do not contribute to the Fund and they therefore cannot claim from the Fund if they are unemployed.

The following people are not covered by UIF:

- Employees who work less than 24 hours per month (or 8 hours per week)
- Seasonal employees
- Employees who receive payment under a learnership agreement negotiated under the *Skills Development Act (no 97 of 1998)*
- National and provincial government employees (public servants)
- People whose earnings are calculated on a commission basis
- Foreign contract employees (unless they have permanent residence)

(See page 48 Immigrants and migrants)

HOW DO EMPLOYEES BECOME CONTRIBUTORS TO UIF?

In terms of the Act all employers have to become registered with the UIF and make a declaration of all their employees to the UIF. Whenever there is a change of staff, for example, new appointments made or contracts terminated, employers must inform the UIF of these changes. So, there are two very important things an employer must do when employing an employee:

- Send details of the employee to the UIF.
- Deduct UIF contributions from the employee's wage and send these plus the employer's own contributions to SARS (or the UIF if not registered with SARS for PAYE, eg in the case of a domestic worker).

(See page 267 Problem 13: Employer does not register employee with the UIF)

HOW MUCH DO EMPLOYEES CONTRIBUTE TO THE FUND?

Every week (or month, if the employee is monthly paid), the employer deducts 1% of each employee's wages for UIF. This works out to 1c for every R1 the employee earns. The employer also pays 1% of the employee's wage. So, for every cent the employee pays to UIF, the employer pays the same. The company then sends all these contributions to the South African Revenue Services (SARS) (if the company is registered with SARS for tax purposes (PAYE) or for Skills Development Levies (SDL)).

The *Unemployment Insurance Contributions Act* says all employers have to submit their UIF payments together with their payments of PAYE and SDL before the 7th of each month. This is all written on one form called the EMP 201 return form (the form used to submit returns to SARS).

(See page 548 Unemployment insurance fund [UIF])

Where employers are not required to register with SARS for PAYE or SDL purposes they must pay the UIF contributions to the Unemployment Insurance Fund using the UF 3 return form.

HOW MUCH DO PEOPLE GET PAID WHEN APPLYING FOR BENEFITS?

In the case of unemployment, illness, adoption and dependants benefits, benefits will be paid for a maximum of 238 days (34 weeks) or for the number of days credits that the person has built up during the 4 years leading up to the application for benefits. Credits are given to employees as they work and contribute to the Fund. Employees can earn credits in the following way: for every 6 days that an employee works and contributes to the Fund, they receive 1 day's credit. So, to qualify for the full 238 days credits the employee must work and have been contributing to the Fund for at least 4 years and not have claimed any days benefits during that period (except maternity benefits).

In the case of maternity benefits, a total of 121 days will be paid if there are enough credits available.

The employee is regarded as having contributed to the Fund from the first day of employment to the day that the services are terminated. A notice period worked before termination of service, is also regarded as a period employed.

The rate at which benefits are paid shifts from 38% for highly paid employees to 58% for lowest paid employees.

WHEN IS A CONTRIBUTOR NOT ENTITLED TO RECEIVE BENEFITS?

An employee who has been a contributor to the Fund is not entitled to receive benefits if the contributor:

- Is receiving a monthly state pension
- Is receiving payment from the compensation fund for illnesses or injuries that caused the temporary or total unemployment of the contributor
- Is receiving benefits from any other scheme established by a bargaining council

- Fails to comply with the provisions of the law
- Has been caught working and collecting benefits or has committed fraud (offence)

TYPES OF UIF BENEFITS

UIF pays five kinds of benefits:

- Unemployment benefits • Illness benefits • Maternity benefits
- Adoption benefits • Dependant's benefits

UNEMPLOYMENT BENEFITS

These benefits are for employees who lose their jobs because they have been dismissed or retrenched, or when the employees' contract expires. If an employee resigns from the job then they will not qualify for benefits unless the employee can prove it was a constructive dismissal.

To get unemployment benefits the employee must satisfy the following conditions:

- The employee has been contributing to the fund and money has been deducted from his or her salary for uif every month
- The claim must be made within 6 months of becoming unemployed
- The claim must be made on the proper form
- The employee has been unemployed for more than 14 days
- The services of the employee were terminated (dismissal or retrenchment or insolvency of the employer) by the employer and the employee did not resign (unless they can prove it was constructive dismissal)
- The employee is registered as a work seeker with a employment office in terms of the *Skills Development Act, 1998* (the employee must be capable of and available for work)

Benefits will be paid for a maximum of 238 days (34 weeks) or for the number of days credits that the person has built up during the 4 years leading up to the application for benefits. The employee must report at times and at places that the claims officer determines in order to sign the unemployment register and he/she must undergo training and vocational counselling if the claims officer tells him or her to do this. If the contributor refuses to do this without a good reason, he/she will not be entitled to benefits. Employees who leave to go and study or to go on pension cannot claim UIF, because they are not available for work. Employees who go on a company, Bargaining Council or civil pension can claim UIF, as long as they say they are still available, able and willing to work.

ILLNESS BENEFITS

Employees can claim illness benefits if they are off work because of illness for more than two weeks. Benefits are paid from the date on which the employee stopped working because of illness.

To get illness benefits the employee must satisfy the following conditions:

- The employee has been contributing to the fund and money has been deducted from his or her salary for uif every month
- The employee must have been sick for more than 14 days
- The claim must be made within 6 months of the illness
- The claim must be made on the proper form which includes completing a medical certificate, by the doctor or recognised homeopath. A medical certificate must

If the employee has been paid by the employer during the period of illness, then the benefits paid by the Fund will be the difference between what the employer paid and the benefit that the employee would have been entitled to.

Benefits can be paid up to maximum of 238 days in any period of 4 years, depending on the number of credits an employee has earned.

MATERNITY BENEFITS

Maternity benefits can be paid to a contributor who is pregnant. Section 25 of the *Basic Conditions of Employment Act* says a pregnant woman can take maternity leave at any time from 4 weeks before the expected date of birth and she may not work for six weeks after the birth. Benefits can be paid to a maximum of 121 days or 17.32 weeks in any period of 4 years. If an employee has applied for maternity benefits this does not affect her right to claim unemployment benefits.

To get maternity benefits the employee must satisfy the following conditions:

- The employee has been contributing to the fund and money has been deducted from her salary for uif every month
- The claim must be made at least 8 weeks before childbirth (or on good Cause shown).
- The claim must be made on the proper form.

If there is a miscarriage or a stillborn child, then benefits are paid for a maximum of 6 weeks after the miscarriage/stillbirth.

If the employee has been paid by the employer during the period when she was off on maternity leave, then the benefits paid by the Fund will be the difference between what the employer paid and the benefit that the employee would have been entitled to.

ADOPTION BENEFITS

A person who legally adopts a child less than 2 years old and who leaves work to look after that child, can now claim adoption benefits from the Fund from the date of adoption.

Only one of the adopting parents can apply for benefits.

Benefits are paid from the date on which the Court grants an order for adoption.

To get adoption benefits the employee must satisfy the following conditions:

- The employee has been contributing to the fund and money has been deducted from his/her salary for uif every month
- The child must be adopted in terms of the *child care act of 1983*
- The period not working must be spent caring for the child
- The adopted child must be below 2 years old
- The claim for benefits must be made within 6 months of the order of adoption being issued
- The claim must be made on the proper form.

If the employee has been paid by the employer during the period when he or she is off caring for the adopted child, then the benefits paid by the Fund will be the difference between what the employer paid and the benefit that the employee would have been entitled to.

DEPENDANT'S BENEFITS

If an employee dies while working, the dependants can claim dependant's benefits from the Fund. A dependant can be:

- The employee's wife/husband/life partner
- Any dependant child under 21 years if there is no surviving spouse (husband or wife) or if the surviving spouse/life partner has not made application for the benefits within 6 months.

To get dependant's benefits the employee must satisfy the following conditions:

- The employee must have been contributing to the fund and money must have been deducted from his/her salary for uif every month
- The claim for benefits must be made within 6 months of the death of the employee
- The claim must be made on the proper form.

If the surviving spouse or life partner does not make a claim within 6 months, then a dependant child can apply for the benefits, provided that the claim is made within 14 days after the 6 months has expired (during which the spouse should have applied).

Benefits can be paid up to maximum of 238 days in any period of 4 years, depending on the number of credits an employee has earned.

The benefits that are paid are equal to the unemployment benefits that would have been paid, if the person was still alive.

HOW DO EMPLOYEES CLAIM UIF BENEFITS?

CLAIMING UNEMPLOYMENT BENEFITS

1. Register for UIF within 6 months after becoming unemployed at the employment office closest to where the employee lives.

2. Sign the unemployment register (this is called 'signing on').

Usually you must sign this register at the employment office every 4 weeks or whenever told to do so by the UIF clerk. If you miss signing, the benefits could be delayed for a long time, as you will have to re-register. If you are ill on one of the signing dates, you must bring a doctor's letter the next time.

(See page 268 Problem 14: Failing to sign the unemployment register)

You must say that you are available to work, or else benefits will not be paid out. If you are offered work, then you must be available to work. Sometimes employees are told to go to different companies and to ask for work. They get a form that the companies must fill in and sign showing that they have no jobs available.

3. You should start getting money within 8 weeks after applying for benefits. After that you should get money every 4 weeks or so, until all the benefits are used up. Only the employee who has applied for benefits can collect the money from the employment office. When you go to collect your benefits you must take your ID book with you. Benefits will be paid into the beneficiary's account.

(See page 267 Problem 12: Application for UIF benefits is too late)

CLAIMING ILLNESS BENEFITS

An employee will not get illness benefits:

- If the claims officer decides that the employee's illness arises from his/her own misconduct
- For as long as the employee unreasonably refuses or neglects to undergo treatment or to carry out the doctor's instructions. The claims officer decides whether the employee's refusal or neglect is unreasonable.

To apply for illness benefits, you must register at the employment office closest to where you live. If you are too ill to go to the UIF office, a friend or family member can bring you the form to sign. *(See page 240 Illness benefits)*

Illness benefits are claimed on **FORM UF86**. The doctor who is treating you must complete paragraph 15 of this form. This is a medical certificate. The rest of the form is completed by people working at the employment office. If you are also unemployed, in other words, you have also lost your job, you must tell the claims officer that you are unemployed. But if you still have a job and are on unpaid sick leave, then you only need FORM UF86.

Once the application for illness benefits is approved, the employment office will post **FORM UF87** to you. This form must be signed by the doctor as soon as possible.

You then fill in the rest of the form and return it to them. No illness benefits will be paid until you have returned the completed FORM UF87. You will only be paid for the period the doctor books you off work.

If you are dismissed when you are ill and the doctor has laid you off for less than 6 months, the balance can be claimed as unemployment benefits.

Illness benefits are not paid for the first 2 weeks off work. But if the illness lasts longer than 2 weeks and illness benefits are paid, then you will receive benefits for any period in the first 2 weeks for which you did not get normal wages.

Illness benefits can be paid in one lump sum or in several payments. The amount will be paid into a bank account.

CLAIMING MATERNITY BENEFITS

Employees apply for maternity benefits in the same way as for illness benefits.

If you are pregnant and want to apply for maternity benefits you must go to the nearest employment office yourself and make the application. If you are too ill, you can organise for someone else to go in your place.

When you register for maternity benefits you will get **FORM UF92**. This form must be filled in by a doctor. You must take the form back to the employment office.

Staff at the employment office may ask you to go to the doctor again or to visit the employment office at certain times. You must do what they ask, or you may not be able to claim.

Maternity benefits will be paid into a bank account.

On **FORM UF95** you can apply for further benefits after your baby is born. This form must be signed by the doctor who delivered the baby. An employee can get these benefits even if the baby was stillborn. If you are also unemployed, then you must tell the claims officer. But if you are on unpaid maternity leave, you will only need to fill in forms UF92 and UF95.

Benefits are paid for a maximum of 121 days or 17.32 weeks depending on the number of credits the employee has. *(See page 241 Maternity benefits)*

CLAIMING ADOPTION BENEFITS

Adoption benefits will not be paid if an application is not made within 6 months of the order of adoption being issued.

An employee should take the following documents to the employment office to apply for adoption benefits:

- The employee's child's birth certificate
- The order of adoption of the child.

Adoption benefits will be paid into a bank account. Payments are paid out until all the benefits are used up. *(See page 241 Adoption benefits)*

CLAIMING DEPENDANT'S BENEFITS

Dependant's benefits can be claimed by the husband/wife or life partner of the deceased employee and any minor children of the employee.

The application for benefits must be made within 6 months of the death of the contributor or for the dependent within 2 weeks after the 6 months if the surviving spouse did not claim any benefits.

The surviving spouse or life partner must complete **FORM UF126** when applying for dependent's benefits. S/he must take the following documents to the Department of Labour office when applying for benefits:

- Identity document
- A certified copy of the death certificate
- A certified copy of the marriage certificate.

If these documents are lost, then the wife/husband or life partner should make a statement at the employment office.

A child or wife/husband of the deceased employee must complete **FORM UF127** when applying for benefits. Any dependant who wants to claim dependant's benefits must take the following documents to the employment office:

- If the dependant is a child, certified copies of the birth certificate, or if the dependant is a husband or wife, the marriage certificate
- A certified copy of the death certificate of the contributor

The employment office will give the dependant **FORM UF128**. This form must be filled in by the last employer of the deceased employee. The child or dependant must then take the form back to the employment office.

Remember that **only one person** can claim dependant's benefits. The wife or husband of the employee who died is given preference.

The money for dependent's benefits is paid in one lump sum in the beneficiary's bank account. The amount that is paid will be the same as the total unemployment benefits that the deceased employee could have drawn at the time of the death. *(See page 239 How much do employees get paid when applying for benefits?)*

If an employee dies after claiming all the UIF that is owed to them, there will be no money left for dependant's benefits.

HOW TO GET COPIES OF BIRTH, MARRIAGE AND DEATH CERTIFICATES

Go to your local Home Affairs office and request the certificate you require. Don't forget the following information:

- What type of certificate you want
- Full name and identity number of person
- Date and place of birth/marriage/death
- For birth certificate, full names of parents and their identity numbers
- For marriage certificates, full names of both husband and wife and identity numbers.

WHAT IF THE UIF BENEFITS ARE USED UP AND THE EMPLOYEE IS STILL UNEMPLOYED?

If you are still unemployed by the time your UIF benefits have been used up, then you can apply for an extension of unemployment benefits. For an extension of ordinary benefits, you must apply on form UF139. You must write down on this form details of where you have tried to find work. The form must be handed in at a employment office.

If you have received illness benefits you can apply for extension of illness benefits on form UF140. This includes a medical certificate to be completed by the doctor.

The UIF treats all applications for extension of benefits on merit. This means they decide whether they think you have good reasons to get more benefits. There is no automatic right to an extension. Extension benefits are not easy to get. Three years is the maximum time for which normal benefits are paid out.

But it helps to prove that:

- You are still actively seeking work (show letters of refusal by employers).
- You depend for the necessities of life on the UIF benefits; a list of expenses such as rent receipts, food bills, water and electricity bills and schooling fees should be drawn up.

- You have been working for more than 4 years and have gained the maximum number of credits for which normal benefits are paid out. Three years is the maximum time for which normal benefits are paid out.

WHAT IF THE APPLICATION FOR NORMAL BENEFITS IS REFUSED?

If an application is refused the applicant will be sent a registered letter informing them of the decision of the UIF. The letter sets out the reasons for the refusal. You can appeal against the refusal.

UIF APPEALS

If your application for UIF benefits has been turned down you or your representative must write to the **Regional Appeals Committee** within 3 months (or 90 days) of being told that benefits will not be paid out.

What must be included in the appeal?

- Name and address of the person appealing
- Identity number
- Date of applying for benefits
- The office where the application was made
- The date on which the claims officer gave the decision
- The details of the claims officer's decision and why the employee wants to complain
- The reasons for the appeal

All this information must be set out in a statement which the **employee must sign**.

Address the letter to the Regional Appeals Committee of the Provincial office of the Department of Labour.

FURTHER APPEALS

If the Regional Appeals Committee again refuses the employee's application, then the employee can appeal again to:

The National Appeals Committee
Unemployment Insurance Board
PO Box 1851, Pretoria 0001

TERMINATION OF BENEFITS

Benefits stop if:

- The full amount has been paid out
- You stop signing the register
- You find work; you must inform staff at the employment office immediately if you find work; if you carry on accepting benefit payments, you will have to pay back the amount received. This is called **fraud**.

Compensation Fund

The Compensation Fund provides compensation for employees who get hurt at work, or sick from diseases contracted at work, or for death as a result of these injuries or diseases.

The Compensation Fund is covered by the *Compensation for Occupational Injuries and Diseases Act (No 130 of 1993) (COIDA)* and the *Compensation for Occupational Injuries and Diseases Amendment Act (No 61 of 1997)*. The Compensation Commissioner is appointed to administer the Fund and approves claims of employees. Where an employee is entitled to receive compensation from

the Compensation Fund, the Fund, and not the employer, will pay the employee.

(Go to the Department of Labour website for more information on the Compensation Fund: www.labour.gov.za)

WHEN CAN AN EMPLOYEE CLAIM COMPENSATION?

- Employees can claim if they are injured in an accident 'in the course and scope of duty' (in other words, while they are doing their work).
- Employees can claim if they get a disease caused by the work (an occupational disease).
- If an employee dies from the accident or disease, their dependants can claim

Employees who are drivers or who have to be transported as part of their work may be involved in motor vehicle accidents while working. Motor vehicle accidents at work are covered by the *Road Accident Fund Act*. The accident must be reported to the Compensation Commissioner, and will follow the normal Compensation procedure, but the money will be paid by the Road Accident Fund.

(See next page *Motor vehicle accidents while working*)

WHO CAN CLAIM COMPENSATION FROM THE FUND?

Any person who is employed or being trained by an employer, and is injured or gets sick on or because of the job can claim compensation. The following employees cannot claim compensation from the Fund:

- Domestic workers in private households
- Members of the south african national defence force and south african police services (they have their own fund)
- Outworkers to whom employers give articles to be made up or to wash or clean. Then they are not working under the control of the employer
- Employees who work outside South Africa for longer than 12 months at a time, unless there is a special agreement with the Commissioner

The Act says an employer has to pay compensation to the injured employee for the first 3 months from the date of the occupational injury. Thereafter, the Compensation Fund will pay. The Compensation Fund will repay the employer for the money that was paid.

WHO CONTRIBUTES TO THE FUND?

Employers pay into the Compensation Fund once a month (based on a maximum amount of earnings of R277 860 per employee). Employees do not pay anything to the Fund, so employers cannot deduct money from employees' wages for this. The following employers do not have to pay into the Fund:

- National and provincial state departments
- Certain local authorities
- Employers who are insured by a company other than the Compensation Fund. For example, those companies which are part of the Chamber of Mines are insured by Rand Mutual Association, and many employers in the construction industry are insured by Federated Employers Mutual Assurance.
- Private households in respect of their domestic workers

These employers are still covered by the Act and claims are made to and decided by the Commissioner. The only difference is that the payouts are made by the insurance fund of the employer (not by the Compensation Fund).

You can claim if:

- You were injured on duty
- You lost a family member who died on the job
- You are a domestic worker in a boarding house

- You are a trainee farm worker
- You are a worker employed by a temporary employment agency

WHEN WILL THE FUND NOT PAY COMPENSATION?

- No payment is made for claims which are made more than 12 months after the accident or death, or more than 12 months after the disease is diagnosed
- If an employee is off work for 3 days or less, this is not covered by the Compensation Fund. It may be covered by the employee's medical aid or sick fund
- No payment is made if the employee's own misconduct caused the accident unless the employee was seriously disabled or died from the accident
- There may be no payment if the employee unreasonably refuses to have medical treatment, for as long as the employee refuses
- If an employee is employed as a domestic worker.
- When an employee is an 'outsourced employee'

OCCUPATIONAL DISEASES AND INJURIES

DISEASES

Occupational diseases are illnesses caused by substances or conditions that the employee was exposed to at the workplace. Schedule 3 of the *Compensation for Occupational Injuries and Diseases Act* sets out the working conditions and diseases caused by these conditions that are covered by the Compensation Fund. An employee can claim compensation if exposed to these working conditions and then getting the related disease.

If a disease is not listed then employees can claim compensation only if they can prove that the disease was caused by conditions at work and not by some other factor. Medical evidence and reports will have to be submitted to the Commissioner. It may also take some time for a disease to become obvious and in such cases employees can claim compensation if they are no longer at a workplace so long as it falls within the time limits for lodging claims.

(See page 272 Problem 20: Employees develop an occupational disease)

The Commissioner will approve or reject the claim. Only if the Commissioner approves the claim, will you get compensation (for temporary or permanent disability) and your medical expenses will be paid. If the disease gets worse after a period of time, you can apply to have your compensation increased.

INJURIES

Injuries covered by the *Compensation Act* are only those that occur as a result of or at work. Compensation is paid for temporary and permanent disabilities that lead to a loss of earnings.

MOTOR VEHICLE ACCIDENTS WHILE WORKING

If motor vehicle accidents happen while employees are doing their jobs, then they can get compensation from the Compensation Fund. But if they are injured in a motor vehicle accident caused by someone else's negligent or unlawful driving, even if this is on the job, they can also make a third party claim from the Road Accident Fund. The money received from the Compensation Fund will be taken off the third party payment. For example, if the Road Accident Fund agrees to pay damages of R15 000, but the Compensation Fund has already paid R10 000, then the employee will only get R5 000 damages from the Fund.

Employees cannot sue their employer for damages if they were injured on the job. But if the employer caused injury to employees while they were NOT on the job, then the employee could sue him or her.

WHAT TYPES OF COMPENSATION PAYMENT ARE MADE?

Compensation is paid for getting injured at work or for diseases caused by work. These are the main types of compensation payments:

- For temporary disability (the employee eventually recovers from the injury or illness)
- For permanent disability (the employee never fully recovers)
- For death
- For medical expenses
- Additional compensation

Compensation is always worked out as a percentage of the wage the employee was earning at the time the disease or injury is diagnosed. If the employee is unemployed by the time a disease is diagnosed the wage they would have been earning must be calculated.

The Compensation Fund does not pay for pain and suffering, only for loss of movement or use of your body.

TEMPORARY DISABILITY

Temporary disability means the employee does eventually get better. If an employee is off work for 3 days or less, no compensation will be paid (the employee can claim sick leave from the employer). If the employee is off for more than 3 days, the employee gets compensation which also covers the first 3 days. Temporary disability can be total or partial:

- Total means the employee is unable to work for a while. The employee will get $\frac{3}{4}$ (75%) of the normal monthly wage as compensation. The formula is:
monthly wage $\times 75 \div 100$, if the employee is paid monthly
(for weekly paid employees, multiply the weekly wage by 4.3 to get the monthly wage)
- Partial means the employee can go to work, but on light duty for fewer hours. If the employee earns less doing the lighter work, he or she will get $\frac{3}{4}$ of the difference between the normal and reduced monthly wage.

EXAMPLE

Thembiso's wages are R500 per week.

What would his Compensation be for a temporary total disability?

Multiply weekly wage by 4.3 : $R500 \times 4.3 = R2\ 150$ per month

Monthly wage $\times 75 \div 100$

$R2\ 150 \times 75 \div 100 = R1\ 612.50$

Thembiso would get R1 612.50 per month from the Compensation Fund for Total Temporary Disability

For an occupational disease, use the wage at the time of the diagnosis and not at the time when the employee first got exposed to the disease. If the employee is now unemployed, use the wage that he or she would probably have earned if still employed. Compensation for temporary disability will be paid for up to 12 months. If the condition of the employee has not improved after 12 months, the commissioner may agree to continue payments for up to 24 months. After 24 months the Commissioner may decide that the condition is permanent and grant compensation on the basis of permanent disability. The Commissioner also pays all medical accounts, including medicine for which accounts must be submitted. (See page 269 Problem 16: Employee does not get the correct amount of compensation money)

PERMANENT DISABILITY

Permanent disability means that an employee never fully recovers from the injury or sickness. A permanent disability can completely prevent an employee from working, or it can just inconvenience an employee. Most serious is called 100% disability, and least serious is called 1% disability. A doctor must write a medical report about the disability. The Commissioner, with the help of a panel of doctors, works out the degree of disability. The degrees of disability are set out in Schedule 2 of the *Compensation for Occupational Injuries and Diseases Act*. Some examples are:

loss of two limbs.....	100%
total loss of sight	100%
loss of hearing in both ears.....	50%
loss of sight in one eye	30%
loss of one whole big toe.....	7%
loss of one other toe	1%

Compensation for permanent disability is paid either as a monthly pension or as a lump sum:

- if the injury is measured as more than 30%, the employee gets a pension
- if the injury is 30% or less, the employee gets a lump sum

The formula for the **monthly pension** is:

$$[\text{monthly wage} \times (75 \div 100)] \times (\text{percentage disability} \div 100)$$

This amount will be paid once a month for the rest of the employee's life.

EXAMPLE

Joe lost one of his hands while pushing some poles through a saw. At the time of his accident he was earning R2 500 per month.

The percentage disability for loss of a hand is 50%.

$$\text{monthly wage} \times (75 \div 100) \times (\text{percentage disability} \div 100)$$

$$R2\ 500 \times (75 \div 100) \times (50 \div 100)$$

$$R1\ 875 \times (50 \div 100) = R937.50$$

Joe will get R937.50 per month for the rest of his life.

The formula for the **lump sum** is:

$$(\text{monthly wage} \times 15) \times (\text{percentage disability} \div 100)$$

This amount will be paid once only and there will be no further payments.

EXAMPLE

Freddie lost an eye while working in a factory. Before the accident he got R3 000 a month. What compensation should he get for his permanent disability?

*The percentage disability for the loss of one eye is 30%. Freddie will get a **lump sum** because his injury was 30% or less. To work out the lump sum:*

$$(\text{Monthly wage} \times 15) \times (\text{percentage disability} \div 100)$$

$$(R3\ 000 \times 15) \times (30 \div 100)$$

$$R45\ 000 \times (30 \div 100) = R135\ 000$$

Freddie will receive R135 000 as a lump sum payment

DEATH BENEFITS

Compensation can be claimed by the widow or dependants if an employee dies as a result of a work-related accident or disease.

Claimants for death benefits must submit copies of the following documents:

- Marriage certificate or proof that the couple lived as husband and wife
- Birth certificates or baptismal certificates of children (for proof of children)
- The death certificate
- Declaration by the widow/er (form W.C.L 32)
- The employer's report of the accident or disease
- Funeral accounts (form W.C.L 46)
- A special Compensation form must be filled in, giving details of income and property

WHO CAN CLAIM COMPENSATION WHEN AN EMPLOYEE DIES IN THE COURSE AND SCOPE OF DUTY?

- The widow/er:
 - Lump sum payment: 2 x monthly pension of employee (the pension is the amount the employee would have been paid if he/she had been 100% disabled)
 - monthly pension for life: 40% x monthly pension of employee, paid every month
- Each child under the age of 18 years (including illegitimate, adopted and step children) is entitled to:
 - 20% x monthly pension of employee, paid every month until the child is 18 years old
 - the pension can continue for longer if the child is mentally or physically handicapped
- Other dependants, if there is no widow/er or children (parents, sisters, brothers, half-sisters, etc.):
 - full dependants: get the same as the widow
 - partial dependants: get a lump sum that is worked out according to the degree of dependence
- The person who pays for the funeral expenses: gets paid expenses up to R11 155.

NOTE

The total monthly pension per family cannot be more than the pension the deceased employee would have received if he/she was 100% disabled (i.e. 75% of the monthly wage).

MEDICAL EXPENSES

All the medical expenses of an employee will be paid for a maximum of two years from the date of the accident. This may include a reasonable amount required for transportation.

ADDITIONAL COMPENSATION

If an employee is injured, dies or contracts an occupational disease because of the negligence of the employer, or a defect in machinery or equipment, the employee can get extra compensation for temporary or permanent disability. Any employee who is under 26 years old at the time of an injury or disease will get extra compensation. An application for additional (increased) compensation must be made on a **form W930** within 24 months of the injury. The Commissioner can extend the period if good reasons exist.

STEPS TO CLAIM DISABILITY

- 1 The employee must inform the employer, supervisor or foreman of the accident, injury or disease verbally or in writing.
- 2 The employer must report the accident or disease to the Compensation Commissioner within 7 days for an injury and within 14 days after gaining knowledge of an alleged occupational disease. The employer must report it, even if they do not believe the injury or disease is work-related. If the employee is unemployed by the time a disease is diagnosed, the employee can send forms directly to the Commissioner.
- 3 Part of the form must be given to a doctor to complete, to check that the injury or disease falls under the Compensation Fund.
- 4 The doctor must send a First Medical Report (W.CL.4) detailing the disease or seriousness of the injury, and the likely period the employee will be off work. This must be done within 14 days of seeing the employee.
- 5 The employer must send the First Medical Report to the Commissioner.
- 6 If the employer refuses to complete and send the form, the employee or a representative may send a form direct to the Commissioner. The Commissioner will instruct the employer to fill in the right form.
- 7 The doctor must also send Progress Medical Reports (W.CL.5) monthly while treatment is carried on. If the employee's condition has not improved after 24 months, the Commissioner may decide that the condition is permanent and grant compensation for permanent disability.
- 8 The doctor must send in a Final Medical Report, stating either that the employee is fit to return to work or that the employee is permanently disabled.
- 9 The doctor submits this form to the employer, who sends it to the Commissioner. Anyone else can send the medical reports to the Commissioner, as long as the claim number is on the form.
- 10 The employer sends in a Resumption Report (W.CL.6) to the Commissioner, when the employee starts work again or is discharged from hospital. The employer also fills in this form to claim back the compensation money the employer paid to the employee during the first 3 months he or she was off work.

HOW IS THE COMPENSATION MONEY PAID?

The compensation office waits until it has all the forms and only then does it pay.
(See page 268 Problem 15: Long delay in paying compensation)

TEMPORARY DISABILITY

The compensation office sends a cheque to the employer who gives it to the employee.

PERMANENT DISABILITY

Lump sum – The cheque gets sent to the employer. If the employee has been dismissed, they send the cheque to the employee's home address.

Pension – This is paid out monthly for the rest of a person's life. The disabled employee can decide where the compensation office must send the pension, for example to a bank or building society account. Pensions are always back-paid to the date of the accident.

If employers do not send in the forms or the claims takes long, employees must contact the nearest employment office and report it.

OBJECTIONS AND APPEALS

- If an employee disagrees with the decision of the Commissioner, he/she may lodge an objection to the decision within 90 days from the date he/she became aware of the decision.
- The objection must be done on form **W929** and sent to the Commissioner.
- The commissioner may call a formal hearing to review the decision at which hearing the employee can be represented by a legal representative, trade union official or family member.
- The employee can call evidence, including expert evidence.
- The commissioner, after the representations are made, will make a final decision.
- If still not satisfied the employee can take the decision of the Commissioner on review to the High Court. It is advisable to seek legal assistance with the application.

(See page 272 Problem 19: Employee's compensation has been refused)

Employee's tax

WHAT IS EMPLOYEE'S TAX?

Employees' tax is the tax that employers must deduct from the income of employees (salaries, wages, bonuses, etc.) and pay over to SARS every month.

Employees' tax consists of two parts, SITE and PAYE.

WHAT IS SITE?

SITE stands for **Standard Income Tax on Employees**. Employees' tax that is deducted from an employee's income when it is below a specific threshold is classified as SITE. For 2014/2015 the threshold is R181 900. This means that anyone earning below R181 900 in the 2014/2015 year will pay SITE.

SITE is deducted by the employer from the daily, weekly, or monthly earnings of an employee and paid to SARS every month. Examples of earnings from which SITE is deducted include salaries, wages, bonuses, overtime pay and fringe benefits.

WHAT IS PAYE?

PAYE stands for **Pay As You Earn**. PAYE is the tax that is deducted by an employer from an employee's income where their income is higher than the SITE threshold, in other words, if the income is higher than R181 900.

WHEN MUST AN EMPLOYEE PAY TAX?

Every employee who earns more than a certain amount (known as the "threshold") in a year of assessment must pay income tax. The threshold amount for the 2014/2015 year of assessment is R70 700 if you are under 65 years, R110 200 if you are between 65 and 75 years, and R123 350 if you are older than 75 years. For example, if you are 66 years old you can earn up to R110 200 for the 2014/2015 tax year without having to pay tax; if you are 55 years old and you earn R58 000 for the 2014/2015 tax year, you will also not have to pay tax because you are earning below the tax thresholds. Once you earn more than these amounts, you will be taxed either according to the SITE or PAYE tax tables on what you earn.

A year of assessment for an individual consists of twelve months starting on 1 March and ending on the last day of February of the following year.

HOW MUCH TAX DO YOU PAY?

This depends on:

- How much you earn (including overtime, bonuses and fringe benefits and before deductions).
- Your age (whether you are under 65 or over 65).
- Whether you are a member of an officially recognised pension fund or pay towards a retirement annuity fund. The amount you pay into a pension scheme or a retirement annuity fund can be DEDUCTED from your wage before tax is calculated. This means you will pay less tax, because the tax is worked out on a lower income. Under SITE only contributions to a pension fund or a retirement annuity fund can be deducted from the wage. Contributions to a Provident Fund cannot be deducted.

After the deduction for pension or a retirement annuity fund, the rest of your wage is taxed according to different rates. The rate you pay depends on how much you earn, and is calculated from tax tables issued by the South African Revenue Services (SARS). The tax tables will determine what rate of tax you will have to pay.

WHAT INFORMATION MUST YOU GIVE TO EMPLOYERS?

When you become employed you must fill in an **IRP2 form**. The tax deducted depends on the information that you fill in on this form.

If you are over 65 years old you must notify your employer. Also tell the employer if you pay towards a retirement annuity fund, because you will then pay less tax.

If you do not fill in an IRP2 form at all, the employer will tax you at the highest possible rate.

REBATES

A rebate is an amount of money taken off the tax **after** your tax rate has been worked out. This means the tax you pay is lower. You can get different types of rebates. There is a primary rebate and an age rebate (if you are over 65 years).

TAX ON BONUS PAY AND RETRENCHMENT PAY

Bonus pay is always added to the wage and then the whole amount is taxed. So the income that is taxed is higher than the normal wage, and the tax you pay will also be higher.

PART-TIME WORK AND CASUAL WORK

PAYE must be deducted at a rate of 25% in respect of all employees who:

- Work for an employer for less than 22 hours per week, OR
- Work for an employer for an unspecified period.

Examples include:

- A person employed on a daily basis, who is paid daily and who gets paid more than R75 per day
- Casual commissions paid, for example, spotters fees
- Casual payments to casual workers for irregular/occasional services
- Honoraria paid to office bearers of organisations/clubs

The following people are exempt from this:

- If an employee works regularly for less than 22 hours per week and provides the employer with a written undertaking that he or she does not work for anyone else, then they will be regarded as being in standard employment and tax must

be deducted according to the normal weekly or monthly tables.

- An employee who is in standard employment (in other words, who works for one employer for at least 22 hours per week).
- Pensions paid to pensioners

TAX ASSESSMENTS

Once a year, your employer must issue you with an IRP5 tax certificate that shows the total wages that you earned and the total tax that was deducted. If you earn more than R72 000 per year, you have to pay income tax (the income amount is higher for older people). These figures apply for 2015/16.

If you earn more you qualify for tax and usually it is deducted by your employer and paid over to SARS.

If you earn less than R350 000 a year, you will not have to submit a tax return provided certain criteria are met. Check the SARS website for more information www.sars.gov.za

If you earn more than R350 000 a year the SARS does an assessment of your earnings when you fill in a 'tax return'. You fill in a tax return form and send it with the IRP5 to the SARS.

Assessment means checking up on the tax you pay to make sure you haven't paid too much or too little tax.

Pension and provident funds

The main aim of a pension or provident fund is to provide benefits for its members when they retire from employment. The fund also usually pays benefits when a member dies while still working, or is unable to work because of illness, or is retrenched.

The main difference between a pension fund and a provident fund is that if a **pension fund member** retires, the member gets one third of the total benefit in a cash lump sum and the other two-thirds is paid out in the form of a pension over the rest of the member's life.

A **provident fund member** can get the full benefit paid in a cash lump sum. Pension funds also offer better tax benefits to employees. An employee's contributions to a pension fund are deductible for tax, while contributions to a provident fund are not.

There are advantages and disadvantages to both types of funds. It will depend on a person's own financial needs. However, one of the strongest arguments in favour of provident funds and the lump sum payment concerns the means test used to work out whether a person qualifies for a state old age pension.

Usually if a person receives a private pension, that person is disqualified from receiving a state old-age pension. If a person gets a lump sum payment then that person may also qualify for a state pension in some cases.

HOW DOES A PENSION OR PROVIDENT FUND WORK?

If it is a workplace pension fund, money goes into the fund through contributions from employers and employees. An employee cannot get money back from a fund except as **benefits** according to the fund rules. Employees can also invest privately in their own pension or provident funds where there is no workplace pension or provident scheme in place.

TYPES OF FUNDS AND BENEFITS

Different workplace funds have different kinds of benefits, for example:

- **Withdrawal benefits** – paid to employees who resign or are dismissed (employee gets own contributions only)

- **Retrenchment benefits** – paid to employees who are retrenched
- **Retirement benefits** – paid to employees when they retire at 60 (women) 65 (men) (amount paid out depends on how long employee was contributing)
- **Insured benefits** – including benefits paid to an employee who is disabled and benefits paid to the dependants of an employee who dies.

Not all funds provide all these benefits. To understand how any fund works, the member must read the rules of the fund.

BARGAINING COUNCIL FUNDS

A pension or provident fund may be established by a Bargaining Council Agreement. The Bargaining Council Agreement will lay down the rules for the pension or provident fund. Usually all employees who fall under a Bargaining Council Agreement have to become members of any fund set up by that Bargaining Council, unless their employer has de-registered from the fund and set up their own fund.

Bargaining Council funds do not allow an employee to withdraw benefits if he or she leaves one company to go and work for another company in the **same industry**. Usually an employee can only withdraw benefits after a year of leaving the company, if he or she is still unemployed or was re-employed outside the industry. If the employee is re-employed in the same industry before one year is up, then contributions carry on as if there was no change in job.

COMPLAINTS ABOUT PAYMENTS FROM PENSION FUNDS

Any person who has a complaint about benefits from a pension fund can make a complaint to the Pension Funds Adjudicator. *(See page 281 How to write a complaint to the Pension Funds Adjudicator; page 685 Resources, for contact details of the Pension Funds Adjudicator)*

THE PENSION FUNDS ADJUDICATOR

The law says you must first send your complaint in writing to the pension fund or to the employer. The pension fund or employer then has 30 days to reply to the complaint. If they don't reply, or if you are not satisfied with the reply, then you can send an official complaint to the Pension funds adjudicator. Include your letter to the pension fund or employer, and their reply. After you have made a complaint to the Pension Funds Adjudicator, the adjudicator gives the pension fund 30 days to reply. Once the Adjudicator has received the pension fund's reply, they will look at the facts and decide who is right.

The Pension funds adjudicator does not deal with government pension funds. If a person who works for the government has got a complaint about a government pension then they must send their complaint to the Public Protector.

(See page 38 Problem 2: Making a complaint to the Public Protector)

There is no charge to make a complaint with the Pension Funds Adjudicator.

WHO CAN MAKE A COMPLAINT TO THE PENSION FUNDS ADJUDICATOR?

The following people can make a complaint to the Pension Funds Adjudicator:

- A member or former member of a pension fund
- A beneficiary of a fund or a former beneficiary of a fund
(A beneficiary is someone who is written down in your pension fund agreement to get the money from your pension fund, for example your family if you die)
- An employer who participates in a workplace fund
- A board or board member of a fund
- Any person with an interest in a complaint

TIME LIMITS

You must get your complaint to the Pension Funds Adjudicator within 3 years of the problem arising.

Medical aid schemes for employees

A medical aid scheme helps members to pay for their health needs, such as nursing, surgery, dental work and hospital accommodation. It is a type of insurance scheme. For this service, members and their employers pay regular contributions to the scheme. The law says that medical aid schemes must pay for medical expenses such as hospital, doctor and dentist bills, medicines and other medical services like special dentistry and physiotherapy. Some schemes offer more than this.

ADVANTAGES AND DISADVANTAGES OF MEDICAL AID SCHEMES

The **advantages** of a medical aid scheme are that:

- It protects employees if they suddenly have to pay large, unexpected medical costs and they don't have to delay their medical treatment because they don't have any money
- Employees get better medical care because they are looked after by private doctors, clinics and specialists instead of overcrowded public hospitals

The **disadvantages** of a medical aid scheme are:

- It is expensive and fees are always increasing
- If an employee has dependants in the rural areas it does not help to have medical aid because there are no private health care facilities
- There are often many hidden costs in the schemes and the scheme might only pay a small percentage of the costs and the employee has to pay the rest;
- Some schemes set limits for benefits, for example, a scheme could set a limit of R720 per year for medicines prescribed by a doctor for a single member. If the member needs to buy more than R720 worth of medicines in a year, she or he will have to pay for any costs of medicines above this limit.
- Some medical costs are completely excluded from medical aid schemes. Employees must then pay for these costs themselves even though they are paying into the medical aid fund every month.

MEDICAL SCHEMES ACT

The *Medical Schemes Act No 131 of 1998* has made the following changes to medical aid schemes:

- There must be standard-rate fees for people to join medical aid schemes regardless of their health or age
- There can be no discrimination on grounds of peoples' health, for example, refusing to allow a person to join a medical aid scheme because they are hiv-positive, or because they have asthma or diabetes
- The definition of dependants includes spouses (husband or wife) and natural and adopted children

This means that people living with HIV or AIDS can no longer be turned away from medical aid schemes on grounds of their medical condition. The minimum medical benefits included for HIV-related illnesses include hospital admissions as well as necessary medical treatment. The treatment for people with AIDS-related illnesses also continues until death.

The Act also sets out a complaints procedure for people who have a complaint against a medical aid scheme.

Skills Development Act

The *Skills Development Act (No 97 of 1998)* was passed in order to develop and improve the skills of people in the workplace. The Act does the following:

- Provides a framework for the development of skills of people at work
- Builds these development plans/strategies into the national qualifications framework
- Provides for learnerships that lead to recognised occupational qualifications
- Provides for the financing of skills development by means of a levy-grant scheme and a National Skills Fund

The Department of Labour has published a guide called 'An employer's guide to the Skills Development Levy'. If you need more information contact your nearest Employment office for a copy.

THE NATIONAL QUALIFICATIONS FRAMEWORK (NQF)

The NQF is a plan for education and training. The aim is for people to continue accumulating qualification credits as they learn and work. The *Skills Development Act* defines the following structures to implement the NQF:

South African Qualifications Authority (SAQA) – This is the body responsible for overseeing the development and implementation of the NQF and it is accountable to the Departments of Labour and of Education. SAQA establishes National Standards Bodies, Standards Generating Bodies and Education and Training Quality Assurers.

National Standards Bodies (NSB) – These bodies set standards about what needs to be learnt in one particular field of learning. SAQA has established 12 fields of learning, such as Agriculture, Communication, Manufacturing each with own sub-fields

Standards Generating Bodies (SGBs) – An SGB develops standards called unit standards and qualifications in a particular sub-field of learning.

Education and Training Quality Assurers – Anyone who wants to provide education and training will have to be approved by an Education and Training Quality Assurer. Education and Training Quality Assurers will issue qualification certificates to learners.

Sector Education and Training Authorities (SETAs) – Each separate economic sector has one SETA. There are 22 SETAs which cover all work sectors in South Africa, including government sectors. All employers must choose which SETA their business falls under. Within its own sector, SETA must develop and implement a sector skills plan including approving workplace skills development plans, promote learnerships, act as the Education and Training Quality Assurer, and pay out Skills Development Grants.

THE SKILLS DEVELOPMENT LEVY-GRANT SCHEME

The Skills Development Levy was established under the *Skills Development Act*. A levy is an amount of money that employers have to pay to the South African Revenue Service (SARS) for skills development of employees. If employees undergo training then the employer can claim this amount back from the relevant SETA.

PAYING THE SKILLS DEVELOPMENT LEVY

An employer must pay a skills development levy every month if:

- The employer has registered the employees with SARS for tax purposes (PAYE), and/or

- The employer pays over R500 000 a year in salaries and wages to their employees (even if they are not registered for paye with SARS)
- An employer must pay 1% of the total amount paid in salaries to employees (including overtime payments, leave pay, bonuses, commissions and lump sum payments)

The employer must register with SARS and pay the levy monthly. SARS will supply the correct forms to fill in (SDL 201 return form). The levy must be paid to SARS not later than 7 days after the end of every month.

HOW ARE THE LEVIES USED?

The levies paid to SARS are put in a special fund. 80% of the money from this fund will be distributed to the different SETAs and the other 20% will be paid into the National Skills Fund. The SETAs will then pay grants to employers who appoint a Skills Development Facilitator. The National Skills Fund will fund skills development projects that don't fall under the SETAs.

GETTING A SKILLS DEVELOPMENT GRANT

An employer can get money back from the SETA or the National Skills Fund to use on training and developing their own employees' skills. To qualify for a Skills Development Grant an employer must:

- Have paid skills development levies
- Have a skills development facilitator
- Follow all the rules and regulations in the Act

An employer can get back 50% or more of the levies they paid to SARS. These grants are called Grants A, B, C and D. This is how the grant system works:

Grant A – When an employer appoints and registers a skills development facilitator, then Grant A is paid back to the employer. This is 15% of the levy paid to SARS by the employer. Employers can only get Grants B, C and D if they have got Grant A.

Grant B – When the employer sends in a workplace skills plan to the relevant SETA and the SETA approves the plan, then Grant B is paid. This is 10% of the levy paid to SARS by the employer. Employers can only get Grant C if they have got Grant B.

Grant C – When the employer sends an annual training report based on the approved workplace skills plan, then Grant C is paid. This is 20% of the levy paid to SARS by the employer.

Grant D – SETAs may pay out grant D for specific sector skills initiatives in the workplace. Grant D is 5% of the levy paid to the Fund by the employer.

If employers do not meet the requirements for recovering a grant then they lose the grant.

SKILLS DEVELOPMENT FACILITATORS

The *Skills Development Act* makes provision for the employment and use of a skills development facilitator by an employer. This person is responsible for developing and planning the skills development strategy of a business for a specific period. The skills development facilitator must do the following tasks:

- Help the employer and employees to develop a workplace skills plan
- Send the workplace skills plan to the relevant SETA
- Advise the employer on how to implement the workplace skills plan
- Help the employer to draft an annual training report based on the workplace skills plan

- Advise the employer on the requirements set by the relevant SETA
- Serve as the contact person between the employer and the relevant SETA

An employer can appoint an employee or a formally contracted person from outside the business to perform the functions of a skills development facilitator.

PROBLEMS

1. Money is deducted from an employee's wages

Jerry is a petrol pump attendant who works for Speedy Garage. He comes to you with a problem. He is in charge of taking money from the other petrol pump attendants and of giving them their change. At the end of every day the money is cashed up by the cashier. On the days when the money is short this is noted in a book. At the end of the week all these shortages are counted up and the total amount is deducted from Jerry's wages. From the pay slips that he brings to you, it seems that every week deductions are made for shortages.

WHAT DOES THE LAW SAY?

The law says that an employer cannot make deductions from the wages of an employee except in certain circumstances.

WHAT CAN YOU DO?

You can take the following steps:

1. Find out whether the employee is covered by a Bargaining Council Agreement or Wage Determination, or other agreement about terms and conditions of employment. In this case Jerry is covered by the Bargaining Council Agreement for the motor industry. This agreement says that any deductions from wages are unlawful. *(See page 185 How do you know which law applies to an employee?)*
2. Contact the manager of the garage and ask him or her for the reasons for the deductions. Explain that such deductions are unlawful. Quote the section S49 of the BCEA.
3. Write a letter to the employer giving all the details of the deductions, the weeks, the amounts deducted, and the amount the employee is claiming.
4. If the employer will not pay back the amounts owing to Jerry, write a letter of referral to the Bargaining Council asking them to investigate the problem. Explain to them what steps you have already taken to try and sort out the problem.

(See page 191 Deductions)

2. Employee wants to claim notice pay and leave pay

Faizel lost his job. He was dismissed without any notice and paid no money in lieu of notice. He was also not paid any leave pay that he believes was owing to him. He does not want to get his job back. He only wants to claim the notice and leave money that is owing to him.

WHAT DOES THE LAW SAY?

- Faizel has a right to his notice and leave money if the dismissal was unfair. However there are cases where an employee can be summarily dismissed (in other words, without notice or payment in lieu of notice) but the employer will have to prove this. In all cases the employee is entitled to payment of any outstanding leave pay.
- The amount of notice and leave pay owing to him depends on which wage regulating measure he falls under.
(See page 185 *How do you know which law applies to an employee?*)
- If Faizel was unfairly dismissed, he may be able to claim compensation from the employer. (See opposite page, *Problem 4: Dismissed employee wants the job back – how to apply for reinstatement or compensation*)

WHAT CAN YOU DO?

You can take these steps to claim the money owing:

1. Check which wage regulating measure protects this particular industry, in other words, whether it is a Bargaining Council Agreement or Wage/Sectoral Determination or the *Basic Conditions of Employment Act* and work out what amounts are owing by the employer to Faizel for payment in lieu of notice and outstanding leave pay.
2. Write a letter to the employer stating Faizel's claim.
(See page 278 *Model letter of demand to employer for notice and leave pay*)
3. If the employer refuses to pay Faizel the money that is owing, refer him with a covering letter to the relevant Bargaining Council or Department of Labour. Alternatively post the letter. The letter must say exactly what the claim is and what steps have been taken to sort out the problem. If the employer is found guilty of not complying with the Bargaining Council Agreement or the BCEA, the relevant inspector can order the employer to pay Faizel. If the employer refuses to pay him, the inspector can refer the matter to the Director General of Labour.
4. Faizel has the right to bring a private civil claim against the employer, either in the Small Claims Court or in the Magistrate's Court. (See page 150 *Small Claims Court*)
(See page 189 *Summary of provisions in the BCEA* (if he falls under the BCEA and Enforcement of the BCEA and Enforcement of a workplace-based collective agreement).
(See page 197 *Enforcement of a Sectoral Determination*)

3. Employee is paid below the minimum wage

Thabiso is employed by Fix-it Tiles. The company makes plastic floor tiles. She thinks that they pay her less than the minimum wage which the law says she should be paid. She wants to know if this is correct.

WHAT DOES THE LAW SAY?

- Collective agreements, Bargaining Council Agreements, Sectoral Determinations and Wage Determinations may set out minimum wages. The *Basic Conditions of Employment Act (BCEA)* does not lay down minimum wages. If the company is only covered by the BCEA, then there is no minimum wage that they have to pay Thabiso so she will have no claim.
- Thabiso has the right to claim the wages that she was promised when she started working for the company.

WHAT CAN YOU DO?

- Check which wage regulating measure protects the company that Thabiso works

for, for example, a Bargaining Council Agreement or Wage Determination, BCEA.
(See page 185 *How do you know which law applies to an employee?*)

- Once you have established this, check whether there is a minimum wage for the industry. If so, find out what the minimum wage should be for Thabiso. If she is being underpaid according to a BCA or Wage Determination, you can take these steps:
 - Telephone or write to the employer and ask for details on why Thabiso is being underpaid, as the law says that a minimum wage must be paid to her.
 - If the employer carries on paying below the minimum wage and refuses to take any notice of your request, you should refer the problem in writing to the Bargaining Council (if it is an Bargaining Council Agreement) or to the Department of Labour (if it is a Wage Determination). The letter must say exactly what the claim is and what steps have already been taken to sort out the problem.
 - Each Bargaining Council as well as the Department of Labour has its own procedures for investigating complaints and enforcing rights. The Department of Labour will appoint an inspector to investigate the complaint. If the inspector finds the employer has not complied with the BCEA, the inspector can order the employer to pay Thabiso by giving the employer a compliance order. If the employer refuses to pay her, the inspector can refer the matter to the Director General of Labour.
 - Thabiso has the right to bring a private civil claim against the employer, either in the Small Claims Court or in the Magistrate's Court.
- If Thabiso is covered by the Labour Relations Act, then there is a minimum wage. Ask your client to lodge a formal complaint with the CCMA, making sure that the employer also receives a copy.

(See page 189 *Summary of the provisions in the BCEA [if she falls under the BCEA]*; Page 188 *Enforcement of the BCEA*; page 196 *Enforcement of a workplace-based collective agreement*; page 198 *Enforcement of a sectoral determination*)

4. Dismissed employee wants the job back – how to apply for reinstatement or compensation

Maisie is dismissed from her job for ongoing lateness in arriving at work. She says the dismissal was unfair because she relies on public transport and she can't help it if the trains always run late. She wants to get her job back.

WHAT DOES THE LAW SAY?

The law says that a person who is constantly late for work without good reason can be dismissed on grounds of misconduct or incapacity (poor performance). Generally, for late coming, Maisie should have received a verbal warning, a written warning and a final written warning before the decision was taken to dismiss her. If Maisie was dismissed for an unfair reason (substantive unfairness), she may be able to be reinstated or compensated. If she was dismissed for good reason but the employer didn't follow the proper procedures (procedural unfairness), it is more likely that she will be compensated but not reinstated.

(See page 223 *Substantive fairness and Procedural unfairness*)

WHAT CAN YOU DO?

Find out whether she really does want to be reinstated in the same job or claim compensation for being unfairly dismissed. Sometimes an employee who was unfairly dismissed does not want to be reinstated or claim compensation. The employee only wants to **claim outstanding money** for notice, leave and so on.

(See page 259 *Problem 2: Employee wants to claim notice pay and leave pay*)

The following is an outline of the procedure you can follow after dismissal of an employee. It should be followed in all cases where an employee is dismissed and wants to be **reinstated** or at least **compensated**.

DETERMINE WHETHER HER DISMISSAL MAY HAVE BEEN UNFAIR

- Ask Maisie to **describe the events** leading up to dismissal. For example, How often was she late? What were her reasons? How did this impact on her job? Was there a hearing? etc. Make a note of all the important dates, for example, when (if at all) she received warnings, in particular note the date on which she was told that she was dismissed.

(See page 223 When is a dismissal fair or unfair?)

- Ask her **what reasons** were given for her dismissal, if any. Who dismissed her?
- If she was dismissed for **misconduct** ask her the following questions to establish the substantive and procedural fairness of the dismissal:
 - Did she know the consequences of being late?
 - Do all people who are late get treated in the same way?
 - What previous warnings of misconduct has she had? When were they given? Were they verbal or written? What were they for? Who handed out the warning(s)?
- If she was dismissed for **incapacity (poor performance)**, ask her the following questions:
 - When she was late what impact did this have on her performance at work?
 - Was she **counselled** that her lateness at work was unacceptable?
 - Was she given the chance to improve her performance?
 - Was she offered any alternative options, for example, starting work later and working in her lunch break?

(See page 226 Dismissal for incapacity)

- Was she given a fair hearing before being dismissed? Ask the following questions:
 - Was she given proper notice of the hearing before being dismissed?
 - Was she told what the charges were against her?
 - Did she get a chance to prepare for the hearing?
 - Was she provided the opportunity of having a fellow employee with her in the hearing?
 - Was she provided a fair opportunity to present her side of her story and were these properly considered by an unbiased person?

(See page 223 Procedural fairness)

If the answer to any of the above questions is 'NO', then the dismissal of Maisie may be unfair and she should be able to challenge it. If she still wants to get her job back, then you can take the next steps.

CHALLENGING THE DISMISSAL

Refer the unfair dismissal dispute to the relevant body for conciliation:

- Bargaining Council if she is covered by a Bargaining Council Agreement
- If she is covered by a collective agreement, she must follow the dispute resolution procedure in the agreement
- Otherwise refer the matter to the CCMA

(See page 229 Solving disputes under the LRA)

5. Retrenchment

A number of employees are retrenched from a large paper factory. They are unhappy about the way they were treated. Many of them have over ten years service with the business.

WHAT DOES THE LAW SAY?

The *Labour Relations Act* says that a retrenched employee must be paid at least 1 week's wages for every full year that the employee worked for the employer. This **severance pay** is money paid to an employee for losing a job, when the employee is not at fault. If employees were not paid severance pay or were paid too little, they have a clear right which must be enforced.

The LRA sets down rules for employers who want to retrench employees. If the employer does not follow these rules, then the employer can be guilty of an unfair dismissal.

The Labour Court will not readily reinstate employees who were retrenched if the employer can show that it was absolutely necessary to retrench those employees. But if the employer did not follow the correct procedures, the Labour Court can order the employer to pay **compensation money** to the employees.

(See page 226 Retrenchment or redundancy dismissal)

WHAT CAN YOU DO?

Find out from the employees if they want their jobs back or to get compensation for losing their jobs, or if they only want to claim severance pay. Consider all the guidelines for retrenchment given above. You may believe that the retrenchment was unfair, or that the procedure the employer used to retrench the employees was not correct.

The matter must first be referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) for conciliation.

(See page 230 Conciliation by the CCMA or Bargaining Council)

IF CONCILIATION IS UNSUCCESSFUL

If the employees want severance pay, then the case must be referred to the CCMA for arbitration.

If employees want compensation or to get their jobs back, then the matter must be referred to the Labour Court for adjudication.

(See page 232 Arbitration by the CCMA or Bargaining Council)

(See page 233 Adjudication by the Labour Court)

6. Employee dismissed for being drunk on duty, with no previous record of drunkenness

Smuts claims that he was dismissed for being drunk on duty. He says this is unfair because he denies being drunk on duty. He says he has no record of misconduct and especially not drinking. He also says he was not given a hearing before being dismissed. He wants you to help him get his job back. When you telephone the manager Peter, he says that he has witnesses who saw Smuts drunk on duty. When you ask him why he did not give Smuts a disciplinary hearing, Peter says that there was no way he could have given Smuts a hearing – he was too drunk at the time. Smuts admits that he had been drinking the night before, but he had not drunk anything on the day that he was dismissed.

WHAT DOES THE LAW SAY?

- Being drunk on duty is an act of **misconduct** so proper disciplinary procedures must be used to work out whether the employee is guilty of being drunk on duty and to discipline the employee.
- To determine whether the employee was drunk on duty does not depend on the employer giving the employee a breathalyser test. This only measures the content of the alcohol in the blood. The breathalyser test does not say whether the employee was drunk or under the influence of alcohol. You can only work this out by observing the employee's behaviour, or through witnesses who observed the behaviour.

The employee's behaviour will tell the employer whether the employee was too drunk to carry out his or her job. The employer will have to say how the employee's behaviour showed he was too drunk to carry on working. For example, did the employee smell of alcohol, could the employee walk straight, was the speech slurred, were the eyes bloodshot, how rational or irrational was the employee being, was the employee acting in a strange way, was the employee being aggressive, insolent or loud?

- Peter should not have dismissed Smuts without first applying corrective and progressive discipline with the aim of correcting the problem. He should have first given him a warning (although being drunk on duty might constitute a serious enough offence to justify misconduct depending on what the employee's responsibilities were). If the problem repeated itself the issue becomes one of incapacity, and a different procedure must be applied where he should have instituted other corrective measures, such as counselling.
- Peter also did not follow a fair procedure to dismiss Smuts, including giving him fair notice of a disciplinary hearing, and holding the hearing where witnesses could be called etc. *(See page 224 Dismissal for misconduct)*

WHAT CAN YOU DO?

This appears to be a clear case of unfair dismissal based on unprocedural grounds. Write to the employer demanding that Smuts be reinstated. *(See page 277 Model letter of demand to employer for reinstatement)* If Peter does not respond to the letter and/or continues to refuse to give Smuts his job back, you can refer an unfair dismissal dispute to the relevant body within 30 days of Smuts being dismissed:

- The Bargaining Council if Smuts is covered by a bargaining council agreement
- If he is covered by a collective agreement, follow the dispute resolution procedure in the agreement
- Otherwise refer the matter to the CCMA

(See page 261 Problem 4: Dismissed employee wants the job back - how to apply for reinstatement or compensation)

7. Employee dismissed for being drunk on duty – the employee is suffering from alcoholism

Manuel, an employee, is dismissed for being drunk on duty. Bennet, the manager, tells you that this is not the first time that Manuel has been drunk on duty. On at least 3 occasions in the past 3 months they have found him passed out at his desk – too drunk to move. He was given disciplinary warnings on all three occasions. Bennet says this is the 'last straw' and he does not want Manuel back.

WHAT DOES THE LAW SAY?

- If the employee often gets drunk and cannot do the job, then the employee might be suffering from alcoholism. Alcoholism is a sickness so if an employee is an alcoholic, then being drunk on duty is not misconduct but rather **incapacity** (in other words, the employee is incapable of doing the job properly).

- Alcoholism is recognised as an illness in terms of the *Unemployment Insurance Act*. This Act provides benefits for alcoholics who are unable to work because of their illness, as long as they agree to undergo treatment.
- Before dismissing the employee for incapacity, the employer must counsel the employee and assist him or her with getting medical treatment if necessary.
- Only if the employee's condition does not improve or the employee's ability to do the job properly does not improve, should the employer think of dismissing him or her.
- The employer must still be able to prove that there was a fair reason and a fair hearing before the employee is dismissed.

(See page 223 When is a dismissal fair or unfair?)

WHAT CAN YOU DO?

- Find out from Manuel whether it is true that he has been given warnings for being drunk on duty.
- Find out whether he received any counselling for 'persistent alcoholic tendencies'.
- Did Manuel have a hearing before being dismissed?
- If there was no counselling and no hearing before being dismissed and the employer refuses to take Manuel back, then you should declare a dispute with the employer. Follow the normal steps for reinstatement to get his job back for him.

(See page 261 Problem 4: Dismissed employee wants the job back – how to apply for reinstatement or compensation)

8. Contract employees are dismissed before the contract is due to terminate

Joe and five other employees have been employed by a sub-contracting company. The employer (from the company) who hired them told the contracting employees the contract would run for 3 weeks. After two weeks Joe and one other employee are paid for the work they have done and told that the firm no longer needs them for the third week.

WHAT DOES THE LAW SAY?

Joe and the other employees entered into a three-week contract and both parties are bound by this contract of employment. Joe and the other employee have been unfairly dismissed. They can challenge the dismissal in terms of the *Labour Relations Act (LRA)*. *(See page 222 Automatically unfair dismissals)*

WHAT CAN YOU DO?

You can help Joe and his co-employee refer the case to the CCMA or a Bargaining Council for conciliation (mediation). *(See page 228 What steps can be taken if there is an unfair dismissal?; page 229 Solving disputes under the LRA)*

9. Contract employees are not paid overtime

Shezi is employed by a sub-contracting labour broking company. A labour broker ('temporary employment service') is someone who supplies labour to the farmer to assist with the picking or pruning requirements of the farm. The company has hired her services out to a farmer where she works as a picker. After two weeks of working on the farm, Shezi has not been paid for any of the overtime she has worked. When she asks the farmer for her overtime money, he tells her he agreed to pay a flat rate to the sub-contractor and he does not have to pay any overtime.

He tells her to go to the sub-contractor. She goes to the sub-contractor who tells her that the overtime has got nothing to do with him – she must get payment from the farmer.

WHAT DOES THE LAW SAY?

Shezi is entitled to be paid overtime in terms of the *Basic Conditions of Employment Act (BCEA)*. Shezi is employed by the Labour Broker but the law says if the labour Broker does not comply with the BCEA, Shezi can claim the unpaid monies from either the labour broker or the farmer. She can choose to claim this either from the farmer or from the labour broker. The farmer must obviously pay this overtime – he can either pay this to Shezi or to the sub-contractor who must pay it to Shezi. If Shezi claims the money from the labour broker he must pay her and then he can claim the money from the farmer by reporting him to the Department of Labour.

WHAT CAN YOU DO?

You can write a letter to the farmer and the labour broker setting out Shezi's right to overtime pay in terms of the BCEA. If the farmer and the labour broker refuse to pay then Shezi can report either the labour broker or the farmer to the Department of Labour. If Shezi makes a claim against the labour broker then the labour broker may pay Shezi and make a claim against the farmer.

10. Casual employee is not paid sick leave

For the past year Gadija has worked every Saturday and Sunday as a casual shelf-packer for Shoprite. She works up to 20 hours on a weekend. She had a bad flu' over one weekend, informed her manager that she was too ill to work and stayed in bed at home. Even though she provided a doctor's certificate, Shoprite refused to pay her for the days she was ill.

WHAT DOES THE LAW SAY?

Gadija is protected by the BCEA which says that an employee who works more than 24 hours during any month earns one day sick leave for every 26 days worked.
(See page 192 BCEA – Sick leave)

WHAT CAN YOU DO?

Write a letter to the employer setting out the circumstances and stating what the law says about casual employees and sick leave. Refer them to the relevant section in the BCEA. If the employer ignores the letter, refer the matter to the Department of Labour.

11. Contract employee's contract has not been renewed

For the past nine months, Thami has been employed on a three-month contract, which has been renewed twice. At the end of the third three-month period, he is told that the company will not be renewing the contract. However the company employs someone else for the next three months to do exactly the same job as Thami.

WHAT DOES THE LAW SAY?

By renewing Thami's contract twice, the company has created a reasonable expectation that the contract will be renewed again unless work for which he was employed, has come to an end. By asking Thami to leave because his contract

is up, while replacing him with someone else, this means that Thami has in fact been unfairly dismissed. This is an unfair dismissal which is covered by the *Labour Relations Act (LRA)*. Thami can challenge the dismissal in terms of the LRA.

(See page 222 Automatically unfair dismissals)

WHAT CAN YOU DO?

You can help Thami first by writing a letter to the employer stating that he believes he has been unfairly dismissed. If the employer refuses to reinstate him then you can help Thami to apply for reinstatement or compensation through the CCMA or a Bargaining Council. *(See page 261 Problem 4: Dismissed employee wants the job back; page 228 What steps can be taken if there is an unfair dismissal?; Page 229 Solving disputes under the LRA)*

12. Application for UIF benefits is too late

Iris worked as a cook at the Late Nite Restaurant for 5 years. She paid into the Unemployment Insurance Fund (UIF) for 5 years.

She is dismissed from her work on 5 February. On 30 August she goes to the Department of Labour to apply for unemployment benefits. Six weeks later they tell her that she will get no benefits because her application is too late. She comes to you for help.

WHAT DOES THE LAW SAY?

The *Unemployment Insurance Act* sets down very strict rules about time for applying for benefits. You get 6 months from the time that you stop working to apply for UIF benefits. *(See page 238 Unemployment Insurance Fund)*

WHAT CAN YOU DO?

You must first work out if Iris's application is late.

First take the date Iris was dismissed: 5 February. Then take the date she made her application: 30 August. Work out the number of months between these two dates. From 5 February to 30 August = 6 months 25 days.

According to the law, Iris is too late to apply for unemployment benefits. But the commissioner may accept an application after the 6-month period has expired when she can show just cause (very good reasons why she is late).

13. Employer does not register employee with the Unemployment Insurance Fund

Jack's employer did not register him as a contributor with the Unemployment Insurance Fund (UIF). This means he did not pay any contribution to the Fund.

WHAT DOES THE LAW SAY?

The law says all employers must register all employees with the Unemployment Insurance Fund as soon as they start working for them. An employer must also pay 2% of an employee's wage/salary to the Fund every month (1% is deducted from the employee's salary, and 1% is paid by the employer).

(See page 239 How do employees become contributors to UIF?)

WHAT CAN YOU DO?

Jack must go to the Department of Labour and register for unemployment benefits. The Department will discover that Jack's employer has not registered him as a contributor. They will investigate and take action against the employer. The

employer will have to make back-payments to make up the money that should have been paid to the Fund.

14. Failing to sign the Unemployment register

Jack finally manages to get his application for unemployment benefits accepted. When he receives the first cheque he is told to come and sign the unemployment register every 4 weeks. He does this every month but misses one month. He is not paid for the time he did not sign the register. Is he entitled to get benefits for the time he did not sign the register?

WHAT DOES THE LAW SAY?

The law says that anyone who has applied for unemployment benefits must sign the register to show that she or he is still unemployed and looking for work.

But if the employee can show that she or he was not able to sign for a good reason, for example because of being ill, and if the employee was unemployed during that period and available for work, then he or she should be paid for the period not signed.

If the employee was not able to sign because of being ill, she or he will have to produce a doctor's letter.

If the employee did not sign because he or she was away looking for work, this might not be accepted as a good enough reason not to sign. The employee will have to re-register for UIF benefits and start all over again.

(See page 238 Unemployment Insurance Fund)

WHAT CAN YOU DO?

You can write a letter of **appeal** to the Department of Labour office in your area.

If no money was paid out at all because the person did not sign the register more than once, you can send a letter to the regional appeals committee at the provincial office of the Department of Labour, asking them to investigate why no benefits were paid at all, and to pay out the money owing to the applicant.

(See page 245 UIF appeals; page 279 Model letter of appeal against the refusal to pay UIF; page 683 Resources, for addresses; page 280 Model letter to UIF because benefits have not been paid)

15. Long delay in paying Compensation

Zama worked for a delivery firm. On the 25 March 1997, on his way to drop off an order, he was involved in a motor accident. He suffered severe injuries in the accident. When he went back to work after being in hospital for 6 weeks his employer told him that there was no longer any work for him. It is now a year after the accident happened.

Zama still has not received any compensation. His employer has not paid him anything since the date of the accident.

WHAT DOES THE LAW SAY?

Zama's accident happened during the 'course and scope of his duties' so he is covered by the Compensation Fund. *(See page 246 Who can claim compensation from the Fund?)*

The employer must report the accident to the Compensation Fund on FORM W.C.L. 2 as soon as it happens. The doctor must fill in FORM W.C.L. 4 after the first visit by the injured employee. *(See page 251 Steps to claim disability)*

An employer has to pay compensation (that he would normally receive from the

commissioner) to the injured employee for the first 3 months from the date of the occupational injury. The Compensation Fund will repay the employer for the money that was paid.

The employer also owes Zama's wages, notice pay and any outstanding leave pay. The employer should also have followed certain procedures to dismiss him, and have had a good reason to dismiss him. *(See page 194 Notice; page 222 Dismissals)*

WHAT CAN YOU DO?

- Zama can claim the first 3 months salary from his employer after suffering from the injury (the commissioner will repay this to the employer)
- You must find out from the compensation office whether the accident was reported by the employer. Telephone the compensation office and ask for the index officer. Give the name of the employee, the date of the accident and the name of the company. The officer will look it up on the index and will be able to tell you if the accident was reported or not. If it was reported, ask for the claim number.

Or you can write a letter to the Compensation Commissioner, and include all the information mentioned *on page 280 in Model letter to Compensation Commissioner asking whether the accident was reported.*

Always include the claim number if you have it. Also include a completed FORM W.C.L.3 which will save the employee time if the accident has not been reported. *(See page 289 Compensation Form WCL3)*

- If the employer did not report the accident, the Compensation Commissioner will send a W.C.L.3 form to you. The employee must complete this. The Compensation Commissioner will take action against the employer for not reporting the accident.
- If the accident was reported, send a letter to the Compensation Commissioner asking them why there has been such a long delay in paying out the compensation. Check that the commissioner has all the correct addresses.

(See page 281 Model letter to Compensation Commissioner asking for reasons for the delay in paying)

The Compensation Commissioner must tell you exactly what is causing the delay. They may ask you to send them a missing form or give them the correct address of the employee.

- You can try to get Zama' wages, notice pay and any outstanding leave pay from the employer. If this is not successful, you can lodge a complaint with the Department of Labour.
- Zama may have been unfairly dismissed and he should therefore take action against his employer. However, he has missed the deadline for lodging a dispute with the CCMA so he will have to apply for condonation in order to make a late application.

(See page 261 Problem 4: Dismissed employee wants the job back – how to apply for reinstatement or compensation; page 229 Solving disputes under the LRA; page 271 Problem 18: Employee is injured on duty and loses the job)

16. Employee does not get the correct amount of compensation money

An employee who was permanently disabled received a lump sum cheque from the Compensation Commissioner, but does not feel that she was paid the correct amount of compensation money.

WHAT DOES THE LAW SAY?

For all types of disability (temporary and permanent) there are certain ways of working out whether the compensation money has been correctly calculated. For permanent disabilities, a list of percentage disabilities says how much compensation will be paid for each form of disability. It is up to the Compensation Commissioner to decide what percentage disability the employee has, based on the medical reports from the doctor who treats the employee. *(See page 248 What types of compensation payment are made?)*

For more information on how to calculate how much compensation money should be paid out, see the website: www.wcomp.gov.za

WHAT CAN YOU DO?

- Write a letter to the Compensation Commissioner asking them for the details of how they calculated the compensation money. Remember to include the claim number and all the important details about the claim, which you can find *on page 281 in Model letter to Compensation Commissioner asking for reasons for the delay in paying.*
- Read *What types of compensation payment are made? on page 248* to calculate whether the compensation money was correctly calculated. If it seems that the doctor made a mistake with the percentage disability, the employee has a right to a **second opinion** from another doctor. This is called a re-assessment of the injury.
- The employee can get a **second opinion** from an independent doctor but the employee must pay this doctor.
- Send the second opinion to the Compensation Commissioner. They will assess it and decide whether to re-open the case. If the Compensation Commissioner decides that the employee should have got more money, the employee will be refunded.
- If the employee wishes to **object** to a decision of the Commissioner, an objection must be sent within 60 days of the Commissioner's decision. Include the claim number and all the details of the employee's claim as listed *on page 281 in Model letter to Compensation Commissioner asking for reasons for the delay in paying.*

17. Injured employee is off work and is not getting paid

Bethuel was injured in an accident at work. He has not been paid for the past six weeks, and the doctor told him to rest for another two weeks. He comes to you with his problem because he says he and his family cannot survive without his weekly wage. Bethuel earns R600 per week.

WHAT DOES THE LAW SAY?

Bethuel has to stay completely off work, but he will be able to go back to work later. So he has a total temporary disability. The employer should pay Bethuel for the first 3 months from the date of his injury. This will be repaid to the employer out of the compensation paid to Bethuel.

(See page 251 How is the compensation money paid?)

WHAT CAN YOU DO?

- Write a letter to the Compensation Commissioner asking them about the delays in paying Bethuel his compensation or check the website www.labour.gov.za under 'compensation fund claims status'. *(See page 281 Model letter to the Compensation Commissioner asking for reasons for the delay in paying)*

- Advise Bethuel's employer to pay him compensation for the first 3 months. Note that Bethuel gets compensation instead of his wages, not as well as his wages.

Work out how much the Compensation money should be given that Bethuel is paid weekly. (*See page 248 Temporary disability*) The formula for working out compensation is:

Multiply weekly wage by 4.3 : $R600 \times 4.3 = R2\ 580$ per month

Monthly wage $\times 75 \div 100$

$R2\ 580 \times 75 \div 100 = R1\ 935$

Bethuel will get paid R1 935 per month from the Compensation Fund for Total Temporary Disability.

The employer should be paying Bethuel this compensation amount for the first 3 months (he will get this back from the compensation paid out). The employer already owes Bethuel for the first month. If the employer refuses, report the matter to the Compensation Commissioner.

- All doctor's and hospital bills and any medicines needed will be paid by the Commissioner. If the employer has reported the accident properly, doctors and hospitals will send their accounts direct to the commissioner. If this has not happened, Bethuel must keep all slips and accounts. You can help him claim them back from the commissioner.

18. Employee is injured on duty and loses the job

While working on a building site two weeks ago, Piet was standing on a ladder which slipped. He fell and broke both arms. This is only a temporary disability, but he cannot do any work until the broken arms have healed, which could be another 6 weeks.

When he telephones his employer, she tells Piet that his job has already been filled. The employer says she cannot wait for Piet to get better. Piet says this is unfair because the accident was not his fault. He comes to you for help.

WHAT DOES THE LAW SAY?

The employer can only dismiss Piet for a good reason and by following proper procedures. Piet has a right to be reinstated when he is well again. Piet can also claim Compensation because the accident happened while he was working. The employer should have reported the accident to the Compensation Commissioner.

(*See page 222 Dismissals; page 245 Compensation Fund*)

If Piet stays off work for a long time and is unable to even do lighter work, then the employer can go through the correct dismissal procedures and dismiss Piet for incapacity because he is unable to do his job.

If an employee is **permanently disabled** as a result of an injury at work, this employee will never be able to perform his or her old duties again. If the employee can do light duties, then you should ask the employer to give the employee light duties. It may be very difficult for a permanently disabled employee to find work anywhere else.

WHAT CAN YOU DO?

Because the disability is only **temporary**, you should telephone the employer and ask her to employ the other person in Piet's place on a temporary basis only – until Piet recovers. If the employer dismisses Piet, you can refer the matter to the CCMA as a claim for unfair dismissal.

(*See page 229 Solving disputes under the LRA*)

19. Employee's compensation has been refused

The Compensation Fund office refused to pay any compensation to an employee. They gave no reasons for their refusal.

WHAT DOES THE LAW SAY?

- Certain employers do not have to contribute to the Fund. So their employees are not covered by the Fund.
- The Compensation Fund pays compensation for all accidents which happen 'in the course and scope of duty' but there are circumstances where the Compensation Commissioner will not pay compensation.

(See page 246 Who contributes to the Fund?, Who can claim compensation from the Fund?)

WHAT CAN YOU DO?

- Check that the employer was contributing to the Compensation Fund and that the employee was injured in her work and that she does not fall into any of the categories falling outside of the scope of the Compensation Fund.
- Write a letter to the Compensation Commissioner asking them for their reasons for refusing to pay compensation.

(See page 281 Model letter to Commissioner asking for reasons for the delay in paying)

- If the employee wishes to **object** to a decision of the commissioner an objection must be sent to the Compensation Commissioner within 60 days of the decision.

(See page 252 Objections and appeals)

Remember to include all the necessary details of the employee as listed on page 281 in *Model letter to the Compensation Commissioner asking for reasons for the delay in paying*.

20. Employees develop an occupational disease

A number of employees working in an asbestos factory are suffering from similar physical conditions which they believe is a result of working in an environment of asbestos. This is confirmed by the doctor who is attending to them. What help can they receive?

WHAT DOES THE LAW SAY?

Employees who suffer from sicknesses as a result of the work they do or the environment they have been working in are covered by the *Compensation for Occupational Injuries and Diseases Act* (for the non-mining industry) or the *Occupational Diseases Mine Employees Act* (for the mining industry). These are called occupational diseases. There is sometimes a long period between the exposure at work and the disease which makes it difficult to connect the disease with the work exposure.

WHAT CAN YOU DO?

Assist the employees with making a claim for compensation from the Compensation Fund.

(See page 245 Compensation Fund)

MODEL CONTRACT OF EMPLOYMENT

CONTRACT OF EMPLOYMENT

.....
NAME OF THE COMPANY

hereafter called 'the Company'

.....
NAME OF THE EMPLOYEE + IDENTITY NUMBER

hereafter called 'the Employee'

It is hereby agreed that the Company will employ the Employee as a
Job grade..... in itsDepartment
at a rate of R..... per day.

1. DATE OF ENGAGEMENT

The date of commencement of employment is:

2. PROBATION

During the first three months of employment, the employee will serve a probation period. His/her performance and suitability for the position will be assessed during this time. If, during the first month of probation, the Employee's performance is regarded as being unacceptable despite attempts to counsel the employee, then the employee's contract may be terminated as per section three (3) below.

3. TERMINATION OF EMPLOYMENT

The company and the employee may terminate this agreement on the following basis:-

- 3.1 by giving one week's notice in writing during the first six (6) month period of employment;
- 3.2 by giving two weeks' notice in writing where the employee has been employed for more than six (6) months but not more than one (1) year, and four weeks notice where employment has been longer than 12 months;
- 3.3 either the company or the employee may summarily terminate this agreement without providing due notice, on any grounds considered appropriate under the law;
- 3.4 by both agreeing to terminate;
- 3.5 where an employee is absent for four working days in a row and has not notified the company or given any indication that he or she intends to return, then the contract can be terminated immediately on grounds of desertion.

4. DUTIES

The employee must perform his or her duties as described in the job description as well as any tasks which s/he may reasonably be asked to do.

5. WAGES

The company shall pay the employee the rate indicated in this contract.

Payment shall be made every week in arrears. The company and the employee accept that the wage rate will only be reviewed once a year during OCTOBER and that this review will be based on the performance of both the company and the employee during the previous 12 month period.

6. WORKING HOURS AND FLEXIBILITY

6.1 The employee shall be required to work up to nine (9) hours per day (excluding meal breaks) and shall remain at work between the hours specified by management on any day. Normal working hours shall be from 07h00 until 17h00, Monday to Friday. It is accepted that start and finish times may be altered in line with operational requirements and as determined by the manager from time to time.

6.2 A fifteen (15) minute tea interval shall be granted not later than 10h00 (morning) and 15h00 (afternoon) daily and shall be taken as determined by management in keeping with the operational requirements of the department.

A lunch break of one (1) hour shall be taken between 12h00 and 13h00 daily. Meal intervals are not regarded as paid working hours.

The employee accepts that overtime and shift working, including weekend work, are an essential part of employment; the employee agrees to work overtime as may be reasonably required by the company.

Where overtime is worked, the employee shall be paid at time and a half of the normal hourly wage.

6.5 Payment for overtime shall only be made where the employee works more than 45 hours in any pay week.

7. LEAVE PAYMENT

The employee shall be entitled to 15 working days leave after 12 months continuous employment calculated at 1,25 days for each completed month of service. An employee absent during the year without permission will have his/her leave calculated on the basis of pro rata leave for the period worked.

It is accepted that annual leave will be scheduled by the employer to meet its manning requirements and will normally be taken during the low season.

8. MEDICAL LEAVE

8.1 Where the employee is unable to work on the grounds of genuine medical incapacity which has not been caused by the employee's negligence or misconduct, then he/she is entitled to paid sick leave.

8.2 During the first 6 months of employment, the employee is entitled to one day sick leave for every completed 26 days of service. After the first six months of employment the employee is entitled to 30 days sick leave in any 36 month cycle.

8.3 The employee must hand in a medical certificate for any period of absence that is longer than 2 days. On the days when the employee is absent, he or she must notify the immediate supervisor by 09H00 regarding the reason for absence and how long the employee believes he or she will be absent.

8.4 The employee accepts that the company is dependent on the employee regularly attending work and if he or she is constantly absent because of illness then this will make the employee unsuitable for employment in the department and could result in the termination of his/her services on the grounds of incapacity.

8.5 The employee accepts that if necessary he/she will go for a medical test by a doctor appointed and paid for by the company. The results of the examination will be disclosed confidentially to the company's medical officer.

8.6 The employee undertakes to bring to management's attention any disease, ailment or disability which he/she becomes aware of which could in any way impact on the health and safety of fellow workers, the provisions of the Health and Safety Act or his/her ability to properly perform the job.

9. FAMILY RESPONSIBILITY LEAVE

The employee shall be entitled to three days paid leave during every 12 months of service which may be used:

9.1 when the employee's child is born;

9.2. when the employee's child is sick;

9.3. when one of the following persons die: spouse or life partner, parents, adoptive parents, grand parents, children, adopted children, grand children or siblings.

It is the responsibility of the employee to bring proof of the reason for leave. If no proof is given, then the leave taken will be unpaid and will be regarded as unauthorised leave which may result in disciplinary action.

10. UIF

The company and the employee will both contribute according to the provisions of the Act once the employee has provided a valid ID document to the employer.

11. COMPANY RULES AND REGULATIONS

The employee undertakes to read and follow the following policies and procedures as amended from time to time.

11.1. Company Disciplinary Code of Behaviour and the Disciplinary Procedure;

11.2. Company Grievance and Dispute Procedure;

11.3. Company regulations regarding Leave and Absence Procedures;

11.4. Company rules relating to Protective Clothing;

11.5. The Health and Safety regulations of the company.

12. DEDUCTIONS

The employee accepts that any outstanding loans owing to the company or taken from the company will be deducted from the employee's earnings or any leave entitlement or bonus accruing to the employee.

The employee also agrees that the company may make deductions of up to 25% (one quarter) of the employee's wages in terms of section 34 of the Basic Conditions of Employment Act to repay the company for the loss or damage caused by the employee's actions, provided this has been established during a disciplinary hearing.

13. ACKNOWLEDGEMENT

The employee acknowledges his/her appointment and that he/she fully understands the terms of such contract which have been explained to him/her and fully translated.

.....
EMPLOYEE SIGNATURESIGNED ON (DATE)

.....
COMPANY REPRESENTATIVESIGNED ON (DATE)

.....
WITNESS/TRANSLATORSIGNED ON (DATE)
(where appropriate)

CONTRACT OF EMPLOYMENT

ANNEXURE A: JOB DESCRIPTION

1. Name
- Physical Address
-
-
-
2. Company
3. Position.....
4. Key performance areas
(the key elements of the employee's job that he or she will be measured against)
.....
.....
.....
.....
5. Commencement date
6. Total cost to the Company.....

COMPLIANCE WITH SECTION 29 OF THE BCEA	
WRITTEN PARTICULARS OF EMPLOYMENT	YES / NO
Full name and address of employer	Yes
Name and occupation of employee	Yes
Brief description of the work	Yes
Place of work	Yes
Date on which employment began	Yes
Ordinary hours of work and days of work	Yes
Employee's salary	Yes
The rate of pay for overtime work	As provided in BCEA
Other cash payments	N/A
Any payment in kind	Yes
Frequency of remuneration	Yes
Deductions to be made	Yes
Leave to which employee is entitled	Yes
Period of notice required to terminate	Yes
Description of any council or sectoral determination	N/A
Any period of employment with a previous employer	N/A
Any other documents that form part of the contract	Yes
Where such documents are reasonably accessible	Yes

MODEL LETTERS

Letter of demand to employer for reinstatement

A dispute must be referred to the Commission for Conciliation, Mediation and Arbitration within 30 days of the dismissal, so get the letter requesting reinstatement to the employer immediately.

EXAMPLE

11 January 2015

REGISTERED

The Manager
Mario's Upholstering
131 Main Street
Uppington

Dear Sir

RE: MR ANDRE PIETERSON – TERMINATION OF SERVICES

On Monday 5th January 2015 we spoke on the telephone regarding the dismissal of Mr Pieterse by yourself on the 4th January 2015. I have now discussed the matter further with Mr Pieterse and he has asked us to write to you as follows.

Mr Pieterse advises us that he was taken by surprise by the termination of his services. In our telephone conversation about Mr Pieterse you told me that he had not been dismissed. You said there was a need to reduce staff so Mr Pieterse had been retrenched by the company. If this is the case then it appears that you have not complied with all the guidelines and standards regarding retrenchment as laid down by the Labour Relations Act.

You have not complied with the requirements for retrenchment in the following ways:

- a. by not giving Mr Pieterse reasonable notice of the need for the proposed retrenchment before the decision to retrench was taken*
- b. by not consulting with the employees or their representatives on the proposed need to retrench employees*
- c. by not taking all reasonable steps to avoid the retrenchment*
- d. by not applying fair and reasonable criteria in selecting staff to retrench*
- e. by not giving Mr Pieterse reasonable notice of your intention to retrench, so as to enable him to make alternative plans for employment.*

If the dismissal of Mr Pieterse occurred for reasons other than reduction of staff, we should like to draw the following points to your attention. At no time during the course of Mr Pieterse's employment with your company was dissatisfaction expressed concerning his work or conduct in the workplace. In addition, Mr Pieterse was given no warning of your intention to dismiss him and he was not given the opportunity to state his own case or defend himself in a hearing.

In the light of the above, Mr Pieterse submits that there was no sound, substantive reason for his dismissal and the procedures used to dismiss him were unfair. Your actions in dismissing him therefore constitute an unfair dismissal in terms of the Labour Relations Act. In the circumstances, your dismissal of Mr Pieterse is of no legal effect and he still regards himself as being in your employ. Mr Pieterse hereby tenders his services to you.

We therefore request, on behalf of Mr Pieterse, that you reinstate him in his previous job on the same terms and conditions as applied prior to his dismissal. Should you fail to confirm this in writing within seven days from the date of receipt of this letter, an application will be made to the Commission for Conciliation, Mediation and Arbitration for conciliation, without further notice to you.

However we hope the above action will not be necessary and we look forward to hearing from you before this time.

Yours faithfully

.....

B. CAROLUS (ADVISOR)

Letter of demand to employer for notice and leave pay

This letter can be used as a model for any demand against an employer, for example, a claim for the right wages to be paid, and so on.

EXAMPLE

10 January 2015

Sew 'n Knit
15 Bell Arcade
Greytown

Dear Sir/Madam

RE: MR JAMES TYKELO

We have been approached by Mr Tykelo who was dismissed from his employment with you on 4 January 2015. At the time of his dismissal he was earning R500 per week.

Mr Tykelo left your employment without being being paid in lieu of notice and he was not paid out the pro-rata leave owing to him. He took leave last year in March 2010. He therefore wishes to claim the outstanding money which is calculated as follows:

One week's salary in lieu of notice: R500

Pro-rata leave pay (for 9 completed months service)

$R500 \times 3 \text{ weeks leave per annum as per contract} = \dots\dots\dots R1\,500$

$R1\,500 \text{ (divided by 12 months)} = R125 \text{ per month} \times 9 \text{ months worked} \dots\dots R1\,125$

Kindly forward the total amount of R1 625 being outstanding notice and leave pay to our office within 14 days of receipt of this letter failing which we shall refer the matter to the Department of Labour (or Bargaining Council if the employee is covered by a Bargaining Council Agreement) for investigation.

Yours faithfully

.....
B. CAROLUS (ADVISOR)

Letter to Department of Labour about a notice and leave pay claim

This letter can be used as a model for the referral of any complaint for investigation to the Department of Labour or to a Bargaining Council.

EXAMPLE

26 January 2015

The Labour Inspector
Department of Labour
Durban

Dear Sir/Madam

RE: JAMES TYKELO / SEW 'N KNIT

We have been approached by Mr Tykelo who was dismissed from his employment with Sew 'n Knit of 15 Bell Arcade, Greytown on 4 January 2015. He started working for Sew 'n Knit on 20 February 2005 and was paid a salary of R500 per week at the time of his dismissal.

According to Mr Tykelo he was dismissed because he was late for duty on 28 December 2014. He advises us that the reason he was late was because of a taxi boycott in the area where he lives and he had to wait for a bus to arrive to take him to work. It is clear that such circumstances are beyond the control of Mr Tykelo who has no history of lateness.

Mr Tykelo was dismissed without being given notice or paid in lieu of notice and he was not paid out the pro-rata leave owing to him. He last took leave in March 2014. We do not believe that the circumstances justified summarily dismissing Mr Tykelo.

EXAMPLE continued

He wishes to claim the outstanding money which is calculated as follows:

One week's salary in lieu of notice: R1 000

Pro-rata leave pay (for 9 completed months service)

R1 000 x 3 weeks leave per annum as per contract = R3 000

R3 000 (divided by 12 months) = R250 per month x 9 months worked R6 250

Please investigate Mr Tyekelo's claim for a total of R6 250 and advise us of the outcome of your investigations.

Yours faithfully

.....
B. CAROLUS (ADVISOR)

Letter of appeal against the refusal to pay UIF

Send this notice of appeal to the Regional Appeals Committee at the provincial office of the Department of Labour with a covering letter from the worker or advice office worker. Remember to fill in the details specific to your own case.

EXAMPLE

UIF APPEAL

1. The appellant: TAFENI JONGUMZI
2. Appellant's address: c/o Claremont Advice Office
PO Box 51
Claremont
4051
3. Identity number: 3602125134189
4. Name and address of employer: Claremont Municipality
PO Box 1711
Claremont
4051
5. Date of application for benefits: 31/08/2015
6. Address where application made: Department of Labour (Claremont)
7. Date when I heard of
Claims Officer's decision: 18/10/2015
8. Claims Officer's decision: Benefits refused because I was
not in employment for 13 weeks
in the last year, and not unemployed
due to illness for more than 2 weeks.
9. Reasons for appeal: I was employed at the Municipality
from 11/01/98 until 30/04/2015

Application for benefits was made on 31/08/2015. Therefore I was in employment for more than 13 weeks in the year before applying for benefits. I was also already unemployed for more than two weeks due to illness when I applied for benefits. I am therefore entitled to UIF benefits.

.....
TAFENI JONGUMZI

Letter to UIF because benefits have not been paid

This letter can be used as a model for any complaint about benefits not being paid, including illness benefits, maternity benefits, and so on.

EXAMPLE

3 July 2015

*The Claims Officer
Department of Labour
Cape Town*

Dear Sir / Madam

RE: MR JACK NAUDÉ – ID NO: 510707 0098 006

Mr Naudé registered for unemployment benefits on 16 April 2015.

He stopped signing the register on 15 May 2015 as he was away in the Eastern Cape looking for alternative employment. We enclose for your reference two letters of refusal of employment. A month later he signed the register again. During the period he was not signing, he was still unemployed and available for work.

He has been paid unemployment benefits for the period that he signed. However no payments have been made to him for the period that he did not sign the register.

Kindly investigate the reasons why he has not been paid any further benefits. Please advise us what action Mr Naudé could take to be paid out his full benefits.

Yours faithfully

.....
P. ZUMA (ADVISOR)

Letter to Compensation Commissioner asking whether the accident was reported

EXAMPLE

25 March 2015

*The Compensation Commissioner
PO Box 955
PRETORIA
0001*

Dear Sir/Madam

ENQUIRY RE ACCIDENT REPORT

Name of employee: NTSHAKALA NGESI
Identity number: 400713 5086 084
Date of injury: 14 JANUARY 2015
Employer: GRANSTEEL CONSTRUCTION (PTY) LTD
61 MINES ROAD
RANDBURG

Mr Ngesi has approached us for assistance with his claim for Compensation. Mr Ngesi was off duty from 14 January to 30 January 2015 as a result of an injury sustained on duty and has not yet received compensation for this period.

Kindly advise us whether Mr Ngesi's accident was reported in terms of the Compensation Act. If it was reported, please give us the claim number. We enclose a completed FORM WCL3 in case this is needed. I look forward to hearing from you.

Yours faithfully

.....
R. GEORGE (ADVISOR)

Letter to Compensation Commissioner asking for reasons for the delay in paying

EXAMPLE

25 March 2015

*The Compensation Commissioner
PO Box 955
Pretoria
0001*

Dear Sir / Madam

RE: DELAY IN PAYING COMPENSATION

Name of employee: MARY PIETERSE
Identity number: 751108 0098 004
Date of accident: 13 DECEMBER 2014
Claim number: 98/836172

The above-mentioned accident was reported to the Compensation Commissioner in January 2015. To date Ms Pieterse has not received any compensation for the time that she was off work.

Kindly advise us of the reasons for the delay and when she can expect to receive compensation.

Yours faithfully

.....
R. GEORGE (ADVISOR)

How to write a complaint to the Pension Funds Adjudicator

This is an example produced by the Pension Funds Adjudicator to show you how to write a complaint to them which includes all the information they need.

You can copy the way the complaint is written. But change everything that is in italics to put your own case details in instead. If there is something in the example which does not apply to your case, leave it out.

The person whose case you are dealing with is the complainant. The pension fund or the employer are the respondents. So the complaint is against the respondents.

Send a copy of the complaint to the respondents at the same time that you send it to the Pension Funds Adjudicator, so that the respondents have the same documents as the Pension Funds Adjudicator does.

REMEMBER

With your complaint to the PENSION FUNDS ADJUDICATOR include:

- **copies of the letter to the pension fund/employer and their reply**
- **proof that the complaint was first sent to the pension fund, for example, a registered letter slip or fax slip**
- **any other papers, including letters, about the complaint**
- **the rules of the pension fund, if available**

Remember to send A COPY of the complaint to the RESPONDENTS, so that they have the same documents as the Pension Funds Adjudicator.

In the complaint between:

HENRIETTA SMITH

Complainant

and

CAPE FRIENDLY PENSION FUND

First respondent

METAL SHOES (PTY) LTD

Second respondent [the employer – only if necessary]

COMPLAINT IN TERMS OF SECTION 30A OF THE PENSION FUNDS ACT 24 OF 1956

1. I am the complainant. My name is *Henrietta Smith*. I am an adult female, of *16 Wally Street, Kenilworth, Cape Town*, and my telephone number is *021-761 3296*.
2. The first respondent is the *Cape Friendly Pension Fund*, whose address is *PO Box 2462, Observatory, Cape Town*. The Principal Officer of the pension fund is *Mr James Beckett*. The telephone of the pension fund is *021-430 4214* and fax number is *021-430 4240*.
3. The second respondent is *Metal Shoes (Pty) Ltd*, a company with its head office at *420 Voortrekker Road, Maitland, Cape Town*. The telephone number of the second respondent is *021-053 6180* and the fax number is *021-053 6181*.
4. I have sent a written complaint to the *pension fund/employer* in terms of Section 30A(1) of the Act on *22 February 2015*. I enclose a copy of that complaint marked 'A'.
5. The first respondent wrote back on *25 February 2015* to say they would look into the matter. I enclose a copy of their reply marked 'B'. I received no further information nor reply from the first respondent.

As the respondent has not replied to the complaint within 30 days, the Pension Funds Adjudicator now has jurisdiction to deal with this matter.

PARTICULARS OF THE COMPLAINT

Under this heading you should explain what the complaint is about.

THE BACKGROUND

First give the history of your work with that employer and membership of the pension fund. Write down all the background.

EXAMPLES

1. *I started work for the second respondent on 4 January 1974 as a messenger. I retired on 30 September 2014.*
2. *All the time I worked for the second respondent, I was a member of the first respondent, a defined benefit fund. I made regular contributions for my pension.*

Or you might say:

I purchased an annuity with the Golden Retirement Annuity Fund, administered by Ace Insurance Company, on 17 July 1979, and I contributed R150 monthly to this. At the date of retirement, I decided to get a 1/3 cash lump sum. I took the rest of my retirement benefit as a monthly pension.

EXPLAIN THE PROBLEM

The law says you can complain about:

- how the pension fund is run
- how the money is invested
- the rules of the pension fund

You must tell the Pension Funds Adjudicator if you think:

- the pension fund did something it was not allowed to do
- you lost money because of something the pension fund did
- you disagree with the pension fund about something that happened or about the rules
- the employer did not carry out its pension fund duties

Write what happened and also why you think the pension fund did something it was not supposed to do, or why you think the pension fund caused you to lose money, or what you disagree with the pension fund about, or why you think the employer did not carry out its duties.

EXAMPLES

*These are some examples of things you may want to complain about.
Maybe you think that:*

- *The monthly pension was not calculated correctly*
- *You did not get an increase in the pension that you were supposed to get*
- *The pension fund left out some things when they worked out your benefits*
- *The employer took off money from the pension for a staff loan you had*
- *The pension fund discriminated against you: this means that they were not fair because they gave benefits to others that you did not get*
- *When the pension fund closed down or changed to a defined contribution pension fund it used the surplus unfairly*
- *You did not get a fair amount of money when you left the pension fund*
- *The board of the pension fund did not keep to its promises*
- *The pension fund used the rules in a way you disagree with*
- *The pension fund was unfair in deciding about early retirement or disability*
- *The pension fund gave death benefits unfairly*
- *The pension fund did not give you proper information so you made a bad decision*

Give as many details as possible about the case, and tell the Pension Funds Adjudicator exactly what happened from beginning to end. Remember the Pension Funds Adjudicator has never heard of your case before, and they know absolutely nothing about you or this complaint.

EXAMPLES

It doesn't help to write:

"I phoned Ace Insurance and they told me they had decided I did not qualify."

This does not help because it does not say who you spoke to at Ace, when you phoned Ace, who at Ace had decided and it does not really explain what was decided.

It would be better to say it like this:

"On Wednesday 4 February 2015, I phoned Ms Carelse, the Fund Manager at Ace Insurance. She told me that the board of trustees had met on 30 January 2015. They decided to refuse my application for early retirement made in terms of Rule 9.2 of the rules of the fund, because I did not qualify."

It doesn't help to write:

"In terms of the rules I am entitled to a gratuity of R100 000."

This does not say which rule, nor how you arrived at the figure you claim your client is entitled to.

EXAMPLES continued

It would be better to say:

"Rule 6.2 provides that on retrenchment an employee is entitled to her own contributions plus 20% of the employer's contribution plus 10% per annum interest. My own contributions totalled R..., and 20% of the employer's total contribution amounts to R.... So with interest I am entitled to R100 000. Instead on 6 February 2015 I received a cheque for only R86 000 from the fund. A copy of the fund's statement is attached, marked 'C'."

When you have given the facts, you must set out your argument about why you think the fund was wrong. Say why you think you are right.

RELIEF

Don't forget to say what you think would help or solve the problem. This is called relief. Write down what you want the Pension Funds Adjudicator to do. The law says the Adjudicator can make any order about this complaint which a court can make. So for example you could ask the Adjudicator to order the pension fund or employer to:

- Give you urgent or interim relief
- Give you information which you need
- Pay your contributions for a time
- Pay a certain pension amount
- Give some of the surplus to the provident fund
- Give you compensation money if the fund was wrong
- Change a decision of the fund trustees if it was not fair
- Pay costs
- Obey any law

or ask the Adjudicator for:

- An order that says what your rights are if they are not clear
- An interdict to stop the fund from doing something

END THE COMPLAINT

Signed at Cape Town on this [date] day of [month] [year]

Complainant:

.....

Address:

.....

.....

.....

Tel. no:

Fax no:

REFERRING A DISPUTE TO THE CCMA FOR CONCILIATION

LABOUR RELATIONS ACT, 1995

This form assists a person or organisation to refer a dispute to the CCMA for conciliation. The CCMA will appoint a commissioner who must attempt to resolve the dispute through conciliation within 30 days. You can download the form off the CCMA website: www.ccma.org.za (click on *Referral forms*)

NOTE: *If you are covered by a bargaining council, a statutory council or an accredited agency you may have to take the dispute to that council or agency. Some councils and agencies are required by law to deal with certain disputes and parties must then refer disputes there, rather than to the CCMA. You may also need to deal with the dispute in terms of a private procedure if one applies.*

PROVINCIAL OFFICES OF THE CCMA:

An employer,
employee, union,
or employers'
organisation may
fill in this form.
It should then go to
the CCMA office in
your province.

CCMA EASTERN CAPE – PORT ELIZABETH
Registrar • Private Bag X22500 • Port Elizabeth 6000
Tel: (041) 505-4300 Fax: (041) 586-4585

CCMA EASTERN CAPE – EAST LONDON
Registrar • Private Bag X9068 • East London 5200
Tel: (043) 743-0826 Fax: (043) 743-0810

CCMA FREE STATE
Registrar • Private Bag X20705 • Bloemfontein 9300
Tel: (051) 505-4400 Fax: (051) 448-4468/9

CCMA GAUTENG – JOHANNESBURG
Registrar • Private Bag X096 • Marshalltown 2107
Tel: (011) 688-2200 Fax: (011) 688-2201/2/3

CCMA GAUTENG – PRETORIA
Registrar • Private Bag X176 • Pretoria 0001
Tel: (012) 392-9700 Fax: (012) 392-9701/2

CCMA KWAZULA-NATAL – DURBAN
Registrar • Private Bag X54363 • Durban 4000
Tel: (031) 362-2300 Fax: (031) 368-7387

CCMA KWAZULA-NATAL – PIETERMARITZBURG
Registrar • PO Box 72 • Pietermaritzburg 3200
Tel: (033) 345-9249 Fax: (033) 345-9790

CCMA KWAZULA-NATAL – RICHARDS BAY
Registrar • Private Bag 1026 • Richards Bay 3900
Tel: (035) 789-0357 Fax: (035) 789-1748

CCMA MPUMALANGA
Registrar • Private Bag X7290 • Witbank 1035
Tel: (013) 656-2800 Fax: (013) 656-2885

CCMA NORTH WEST
Registrar • Private Bag X5004 • Klerksdorp 2571
Tel: (018) 464-0700 Fax: (018) 462-4126

CCMA NORTHERN CAPE
Registrar • Private Bag X6100 • Kimberley 8300
Tel: (053) 831-6780 Fax: (053) 831-5948

CCMA LIMPOPO
Registrar • Private Bag X9512 • Polokwane 0700
Tel: (015) 297-5010 Fax: (015) 297-1649

CCMA WESTERN CAPE
Registrar • Private Bag X9167 • Cape Town 8000
Tel: (021) 460-0111 Fax: (021) 465-7193

Referring a dispute
to the CCMA for
conciliation

If a union or
employers'
organisation is
helping you with the
dispute, give their
details too. ➤

If more than one
party is referring the
dispute, write their
details on a separate
page and staple it to
this form. ➤

If more than one
other party is
referring the dispute,
write their details on
a separate page and
staple it to this form. ➤

Describe the issues
involved. The list on
page 4 should help
you. Your description
will assist the CCMA
in dealing with the
matter. It is not
meant to bind you. ➤

CCMA Ref No:

.....

1. DETAILS OF PARTY REFERRING THE DISPUTE

Tick the box



As the referring party are you:

☐

an employee

☐

a union official or representative

☐

an employer

☐

an employers' organisation's official or representative

If you are an employee fill in (a) below and if you are a union official or representative,
an employer or an employers' organisation's official or representative fill in (b)

a) If the referring party is an employee

Name

Address

.....

Tel: Fax:

Alternative contact details of employee (for example, a relative or a friend):

Name

Address

.....

Tel: Fax:

b) If the referring party is an employer, an employers' organisation or union

Your contact details:

Name

Address

.....

Tel: Fax:

Contact person

2. DETAILS OF OTHER PARTY (THE OPPOSITE PARTY)

Tick the box



The other party is:

☐

an employee

☐

a union official or representative

☐

an employer

☐

an employers' organisation's official or representative

Name

Address

.....

Tel: Fax:

Name of person dealing with the matter and other party's reference number (if known):

.....

3. NATURE OF THE DISPUTE

a) The dispute is about:

.....

.....

.....

.....

.....

.....

.....

.....

*Referring a dispute
to the CCMA for
conciliation*

Look at the list of
disputes and their
corresponding
sections on page 6.
If you are unsure
which is the
appropriate section,
you may leave 3b
blank.

Special features
might be the urgency
of a matter, the large
number of people
involved, important
legal or labour
issues, etc.

Give a description of
the industry, service
or public sector
concerned (eg. the
metal industry,
tourist services,
provincial hospital
services, etc).
This will help the
CCMA choose a
Commissioner with
experience in the
particular sector
or area.

Where did the
dispute arise?
Usually this will be
the address of the
workplace

Describe the
outcome or result
you would like from
this conciliation.
You are not bound
by the proposals you
make here.

b) The dispute relates to section of the Labour Relations Act, 1995.

4. SPECIAL FEATURES (IF ANY)

I/we would like to bring the following special features of this dispute to the attention of
the Commission:

Delete the box below if inapplicable:

Dispute about unilateral change to terms and conditions of employment [s 64(4)]

I/we require that the employer party not implement unilaterally the proposed changes
that led to this dispute for 30 days, or that it restore the terms and conditions of
employment that applied before the change.

Signed: (party referring the dispute)

5. DATE OF DISPUTE

The dispute arose on
Give the date, or approximate date

6. SECTOR AND AREA

The dispute exists in the following sector:

and in the following area:

7. RESULTS OF CONCILIATION

The outcome I/we would like:

*Referring a dispute
to the CCMA for
conciliation*

Proof that a copy of
this form has been
sent could be:

- a copy of a
registered slip from
the Post Office
- a copy of a
signed receipt if
hand-delivered
- a signed statement
confirming service
by the person
delivering the form
- a copy of a fax
confirmation slip

8. INFORMING THE OTHER PARTY

A copy of this form has been sent to the other party to the dispute.
Proof of this is attached to this form.

Signed at on.....

.....
Party referring the dispute

CONCILIATION REFERRALS SECTION LIST	
LRA SECTION	NATURE OF DISPUTE
9.1	Freedom of association and general protections
16.6	Disclosure of information
21.4	Collective agreement on organisational rights
21.11	Withdrawal of organisational rights
22.1	Interpretation or application of organisational rights
24.2	Interpretation or application of collective agreement
24.6	Interpretation or application of agency or closed shop agreement
26.11	Non-admission as party to closed shop
45.1	Interpretation or application of ministerial determination
61.10	Interpretation or application of lapsed collective agreement
63.1	Interpretation or application of collective bargaining provisions
64.1 & 134	Any matter of mutual interest
64.2 & 134	Refusal to bargain
64.4	Unilateral change to terms and conditions of employment
69.8	Picketing
74.1	Disputes in essential services
86.4[b]	Joint decision-making (workplace forum)
89.3	Disclosure of information (workplace forum)
94.1	Interpretation or application of workplace forum provisions
191.1	Unfair dismissal
196.6	Severance pay
Sch 7, item 3.1	Unfair labour practices

For example, the
contact details
of a union or
an employers'
organisation which
is helping or
representing you.

Please indicate
which number in
this form your
comments refer to.

ADDITIONAL INFORMATION

.....

.....

.....

.....

.....

.....

.....

COMPENSATION FORM WCL3

Eisnommer/Claim number

KENNISGEWING VAN ONGEVAL EN EIS OM VERGOEDING NOTICE OF ACCIDENT AND CLAIM FOR COMPENSATION

WET OP VERGOEDING VIR BEROEPSBESERINGS EN-SIEKTES, 1993 (WET No. 130 VAN 1993)
COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 1993 (ACT No. 130 OF 1993)

(Voorheen Ongevalwet, 1941) (Previously Workmen's Compensation Act, 1941)

[Artikel 38(1) – Reëls, vorms, en besonderhede van die Vergoedingskommissaris – Aanhangsel 14]

[Section 38 (1) and section 43 (1) – Commissioner's rules, forms and particulars – Annexure 14]

Hierdie vorm moet deur of namens beseerde werknemer/afhanklike ingevul en aan die Vergoedingskommissaris, Posbus 955, Pretoria 0001 gestuur word. / This form must be completed by or on behalf of the injured employee/dependants and sent to the Compensation Commissioner, PO Box 955, Pretoria 0001.

(DRUKSKRIF/BLOCK LETTERS)

1. WERKNEMER – EMPLOYEE:

Van/Surname
Voornaam/First names
Identiteitsnommer/Identity number Personeelnommer/Personnel Number
Woonadres/Residential address
..... Poskode/Postal Code
Geboortedatum Geslag Getroud of ongetroud
Date of birth Sex Married or Single
Geroep/Occupation

2. WERKGEWER – EMPLOYER:

(i) Naam van werkgever in wie se diens die ongeval plaasgevind het
Name of employer in who's service the accident occurred
(ii) Adres/ Address
..... Poskode/Postal Code

3. ONGEVAL – ACCIDENT:

(i) Wanneer en waar het die ongeval plaasgevind? Datum Tyd Plek
When and where did the accident occur? Date Time Place
(ii) Wat het die werknemer op daardie tydsnip gedoen en hoe het die ongeval plaasgevind?/What was the employee doing at the time and how did the accident occur?
(iii) Gee 'n volledige beskrywing van die aard en omvang van die besering/Describe in detail the nature and extent of the injury
(iv) Het iemand die ongeval sien gebeur? Indien ja, meld: Naam/Name
Did anybody see the accident happen? If so, specify: Adres/Address

4. WERKNEMER SE VERDIENSTE TEN TYDE VAN DIE ONGEVAL – THE EMPLOYEE'S EARNINGS AT THE TIME OF THE ACCIDENT

Bruto kontantverdiens (insluitende gemiddelde oortyd en/of kommissiebetaling van gereelde aard)/Gross cash earnings (including average overtime and/or commission of a regular nature)

Toelaes van gereelde aard/Allowance of a regular nature

(a) Bonusse (bv. 13de tjek)/Bonuses (e.g. 13th cheque)

(b) Ander (spesifiseer)/Other (specify)

Kontantwaarde van huisvesting/Cash value of quarters

Kontantwaarde van voedsel/Cash value of food

Per week R	Per maand/ month R

5. (a) As die ongeval die DOOD van die werknemer ten gevolge gehad het, moet onderstaande inligting betreffende sy afhanklikes, ten behoeve van wie die eis ingestel word, verstrek word./If the accident resulted in the DEATH of the employee, the following information relating to his dependants, on whose behalf the claim is made, should be given:

Volle naam Full name	Adres Address	Datum van geboorte Date of birth	Verwantskap met werknemer Relationship with employee

- (b) In die geval van alle ANDER ongevallen, moet onderstaande inligting betreffende die naasbestaandes van die werknemer verstrek word./In the case of all OTHER accidents, the following information should be furnished in regard to next of kin of the employee.

Volle naam Full name	Adres Address	Verwantskap Relationship

6. Vergoeding ingevolge die Wet op Vergoeding vir Beroepsbeserings en -siektes, 1993 (voorheen Ongevallewet, 1941), word hierby geëis ten opsigte van die ongeval wat hierin beskryf is./Compensation in terms of Compensation for Occupational Injuries and Diseases Act, 1993 (previously Workmen's Compensation Act, 1941), is hereby claimed in respect of the accident described above.

Ek bevestig dat volgens my wete die inligting in hierdie vorm vervat korrek is,
I certify that the information in this form is to the best of my knowledge correct

DATUM/DATE:

.....
Handtekening van werknemer of persoon wat namens hom/haar optree
Signature of employee or person acting on his/her behalf

CHECKLISTS

Checklist for a labour problem

- Full name and address of the employee and if possible a telephone number.
- Full name, address and telephone number of the employer.
- Was there any written employment contract?
- The employee's wage at the time of the complaint.
- How long has the employee been working there?
- What work was the employee doing?
- What are the details of the employee's complaint?
- If the problem relates to a dismissal:
 - when did the dismissal take place?
 - was the employee given notice of the dismissal or paid in lieu of notice?
 - does the employee want to go back to his or her job if the dismissal was unfair?
- Does the employee know whether the employer's company was a member of a Bargaining Council?
- Is the employee a member of a union?
If so, get the union's name, address and telephone number.

Checklist to prepare for arbitration

Here is a checklist to help an employee prepare for an arbitration:

- Does the employee understand what is meant by arbitration and what it entails?
- Have the employee and the employer agreed on the issue which the arbitrator will be asked to decide?
- Has the employee made copies of all necessary documents for the arbitrator to use at the hearing?
- Will the employee need the services of an interpreter?
If so, have they made the necessary arrangements to get someone?
- Has the employee made arrangements for all witnesses to be present at the hearing?
Oral evidence from witnesses is often the best way of proving a case.

Checklist to prepare a claim for reinstatement

- Full name and address of the employee and if possible a telephone number.
- Full name and address of the employer.
- The employee's length of service.
- Employee's wage at the time of the dismissal.
- Was there any written employment contract?
- Was there any established disciplinary code/procedure?
- What was the nature of the employee's job and of the employer's business in general?
- Did the employee receive notice in writing?

- Get details of the employee's marriage, family situation, dependants, (ages of children, whether studying, working or unemployed).
- Is the employee a member of a union? If so, get the union's name, address and telephone number.
- Does the employee know whether the employer's company was a member of a Bargaining Council?
- What are the employee's prospects of finding another job?
- Does the employee have any other information or documents that might be relevant to the case?

Checklist for problems about UIF

- Name, address and identity number of employee
- Was the employee a contributor to the UIF?
- Is the employee out of work, or without work because of being pregnant or illness or has the employee died and the dependants are claiming UIF death benefits?
- Was the employee registered by the employer with the Fund?
- Is the employee permanently resident in South Africa?
- Has the employee registered for benefits?
- Was the employee told that the benefits are used up?
Is the employee still unemployed or sick?
- Have more than 6 months passed since the employee last worked?

Checklist for compensation problems

- What is the name of the employee?
- What is the address of the employee: at work and at home?
- What is the age of employee?
- What is the name of the employee's employer at the time of the accident?
- What is the address of the employer?
- What work was the employee doing at the time of the accident?
- What was the date of the accident?
- Has the employee received any correspondence (letters or forms) from the compensation office?
- Give details of the accident.
- What is the name of the employee's doctor?
- What injuries did the employee suffer in the accident?
- How long was the employee off work as a result of the accident?
- Is the injury permanent or temporary?
- Can the employee still do some work or not, for example, light duties?
- Is the employee still having medical treatment or is the medical treatment finished?