



My Claim Mate

4 January, 2016

Ms L. Yengeni
Chairperson: Portfolio Committee on Labour
Parliament of the Republic of South Africa
Parliament Street
Cape Town
8001

Dear Ms. Yengeni:

Dear Madam,

**PROPOSED AMENDMENTS TO THE UNEMPLOYMENT INSURANCE FUND ACT 2001:
GOVERNMENT GAZETTE PUBLICATION NO No. 39273 of 8 October 2015.**

This is My Claim Mate cc's objection to the proposed Section 33 sub-section 3 additional amendment to the Unemployment Insurance Fund Act, 2001.

Our first concern is that our business, as well as the majority of businesses that provide the UIF service for a fee, are women-owned small businesses. The implementation of the proposed amendment will have a negative impact on our businesses as we will be forced to close down and retrench the people we employ who are also mostly women. In the current economic climate of high unemployment and the importance of entrepreneurs and small businesses in the country, the proposed amendment will have a negative impact on the unemployment rate and the attempted growth and development of entrepreneurs and small businesses.



Secondly, as My Claim Mate cc, we believe that we provide a valuable service that benefits not only our clients but also the Department of Labour in the following ways:

1. Many labour centres across the country have limited space to accommodate the many people that flock to the centres for claims. Our service helps to reduce these numbers as we bring in a number of claims at a time and therefore limit the impact of the centre's confined spaces. We are also now using the uFiling website to submit claims. This also assists in reducing the crowding at the labour centres.

2. Mothers need all the time they can get to rest before the baby arrives and when the baby is born, bond with their newborn and recuperate before returning to work. Many moms arrive at the labour centres with their babies because they have no baby-sitters, the babies breastfeed etc. The labour centres are not the right places for the babies as their immunes are still developing and are susceptible to catch infections/illnesses from the many people queuing at the centres.

3. Our business thoroughly checks all the forms for completeness and accuracy before submitting clients' documents to the labour centre. By doing this, we reduce the work-load of the labour centre staff who are often have to deal with hundreds of claims. This, therefore, leaves more time for the staff to look out for fraudulent claims.

4. My Claim Mate also does not target vulnerable clients who do not have the means to pay the service fee (eg. low income groups). We target the middle to high income groups with the financial means to pay for the service fee. We also make clients aware that we are not affiliated with the Department of Labour who provide the same service for free.

The proposed amendment is also in direct conflict with Section 22 of the Constitution of the Republic of South Africa, 1996, as amended, read with Section 36 thereof. The proposed



amendment will infringe on our right as well as my client's right to choose our trade, occupation or profession freely as stated in Section 22 of the Bill of Rights.

In addition to the objection, we propose the following solutions:

My Claim Mate would like to propose that the Department of Labour / Unemployment Insurance Fund rather regulate the industry. This could be done in a similar way to tax consultants and SARS as well as immigration agents and the Department of Home Affairs. The following could be done:

1. All employees of the UIF agency must write an exam on the UIF Act, 2001, to demonstrate their knowledge and understanding of the Act;
2. Upon being successful in the exam, the agency and its employees would be registered as a legitimate/qualified agency to deal with UIF and also be required to sign a pledge to adhere to the Department of Labour and Unemployment Insurance Fund's rules and regulations;
3. Each agency can then be allocated to one labour centre where they will submit clients' claims.
4. Agencies must attend two half-yearly meetings with the Department of Labour and the Unemployment Insurance Fund as part of the continuous engagements for the education, awareness and monitoring process by the Department of Labour and the Unemployment Insurance Fund.
5. As the owner of My Claim Mate, I am available and willing to be part of the process to discuss the formulation of the regulation process. I believe I am qualified for this as I have the relevant HR and business management qualifications and have also been operating in the industry for more almost 5 years now.

By working together, Department of Labour, the Unemployment Insurance Fund and the small businesses are better off if they work together.

Sincerely,

Sizile Makola

Managing Director

My Claim Mate cc

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