1235. Mr A R McLaughlin (DA) to ask the Minister of Labour:

1. **With reference to the presentation of the Department of Planning, Monitoring and Evaluation to the Standing Committee on Appropriations on 19 April 2016, which revealed that the Unemployment Insurance Fund (UIF) has a surplus in excess of R100 billion,**
2. **What is the exact figure of the UIF’s surplus as at the latest audit date;**
3. **Who is currently in control of the specified funds and**
4. **Who is the legal owner of the specified funds; NW1383E**
5. **Whether any UIF surplus funds are available as cash; if not, what is the position in this regard and a) In what form is it held; if so, where are the surplus funds held?**

**Minister of Labour replied:**

1. The Unemployment Insurance Fund’s as its name denotes, is an Insurance fund paid for by monies deducted from salaries of workers and from the employers’ payroll. The fund is there to take care of workers in the event that they lose their jobs. The accumulated surplus, after setting aside the actuarial reserves of about R90billion as at 31 March 2015, has technically about R19billion that could be termed surplus in the literal sense of the word.
2. The Unemployment Insurance Fund is set up and governed by the Act of Parliament in the name of the Unemployment Insurance Amendment Act, No 32 of 2003.
3. The Unemployment Insurance Fund is an insurance policy that caters for workers and their beneficiaries in the event of them losing their jobs or death. For all intends and purposes the Unemployment Insurance Fund is there to fulfil a need therefore the question of who owns it can be gleaned from the Unemployment Insurance Amendment Act, No 32 of 2003.
4. Some of the Unemployment Insurance Fund’s surplus is available as cash in order to meet its legislative obligations and these are spelt out in the Act.
5. The money of the Fund, other than money required to meet the current expenditure of the Fund, may be deposited on behalf of the Fund by the Director-General with the Public Investment Commissioners to be invested in terms of the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984) The PIC invests, manages and administers the Unemployment Insurance Fund’s investments according to the set terms and conditions of the Unemployment Insurance Fund’s investment mandate.