Official reply: 13 September 2017

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

Date of publication on internal question paper: 30 June 2017

Internal question paper no: 24

**2053. Mr M Bagraim (DA) to ask the Minister of Social Development:**

(1) What is the proposed timeframe for the establishment of the National Social Security Fund;

(2) whether her department has determined the proposed mandatory social insurance contribution workers will have to make towards the National Social Security Fund; if not, (a) why not and (b) by what date will it be determined; if so, what are the relevant details? NW2274E

**Reply:**

1. Government has tabled the discussion paper on Comprehensive Social Security in the National Economic Development and Labour Council (NEDLAC) where it is currently engaging with social partners on the recommendations in the tabled discussion paper, one of which, is the National Social Security Fund (NSSF). The NEDLAC MANCO Task Team on Comprehensive Social Security requested 12 months (approximately until March 2018) to debate these complex issues, with a review after six months to decide on whether more time will be needed (amongst other things).

As part of their terms of references, social partners will agree on the implementation plan which will also inform the timelines for the establishment of the National Social Security Fund. On conclusion of these processes, Government will announce the proposed implementation plans.

1. It is proposed that all workers will need to make mandatory payroll contributions of at least 12% to the NSSF, which will be shared between the employer and employee, for incomes up to the income of ceiling of R178 464 per annum (which is aligned to the Unemployment Insurance Fund threshold). This includes unemployment insurance, which will continue to be paid at the rate of 2%, and the 10% is meant for retirement and risk benefits. Government proposes to subsidise the contributions of low-income workers. This is the initial proposal by government, and will form part of the negotiations of the NEDLAC Task Team (referred to above).