



FOR PSA MEMBERS: **DEPARTMENT OF EMPLOYMENT AND LABOUR (DEL)**

29-05-2025

Feedback: DEL Special Bargaining Chamber - 28 May 2025

A Special Bargaining Chamber meeting was held on 28 May 2025 to discuss the following issue:

Progress report: Unbundling of Funds (UIF and CF)

It was previously reported that the employer intends to separate the Unemployment Insurance Fund (UIF) and Compensation Fund (CF). During the recent meeting, the employer reported that the Department is required to re-configure itself to optimally respond to its new employment mandate as proclaimed in July 2019. The Government Technical Advisory Centre (GTAC) was enlisted in April 2023 to assist the Department with its restructuring efforts.

It reported that *Price Waterhouse Cooper* was enlisted in March 2022 to conduct an Architectural Review of both the Funds (CF and UIF), and it concluded that the CF and UIF would be unbundled from the Department of Employment and Labour. The employer provided the following progress report:

- The branch CF/UIF workshops have been completed, which were used to discuss existing and possibly new functions, activities, and operating models.
- The project team has developed a proposed DEL macrostructure and new regional management, which have been discussed with corporate services.
- The next step is to provide a workshop on the new macrostructure for branches and EXCO.
- Significant progress has been made with the amendment of the *Unemployment Insurance Fund Act* and *Compensation of Injuries and Disease Act*.
- These changes have been discussed with the UIF, CF Commissioners, and Legal Workstream.
- The GTAC was also tasked to deal with the development of the Amendment Bill to properly constitute funds as National Public Entities listed in Schedule 3A of the *Public Financial Management Act*.

The PSA demanded that the employer must circulate both drafted Amendment Bills and the DEL Macrostructure to organised labour to have inputs, and further expressed displeasure with the employer after receiving complaints from members that they were asked to complete choice forms indicating where they would prefer to be placed, whilst the matter is still under discussion. The employer responded that it

would have to seek mandate from its principals on whether to share the documents with labour. It further responded that the project is still at an infant stage to request employees to choose where they would like to be placed, however, committed to investigating the matter and provide feedback in the next meeting. The PSA noted the report and will continue to monitor developments in this matter.

Employees who want to join the PSA can visit the PSA's website, send an email to ask@psa.co.za, or contact PSA Provincial Offices.

Reuben Maleka
GENERAL MANAGER