



# WCA SOLUTIONS (PTY) LTD

Agbiz SHEQ Forum Workshop

27 June 2023



# PART ONE

## COID ACT AND COMPLIANCE IN TERMS OF REGISTRATION AND GOOD STANDING



# The COID Act and its objectives

- Work related injuries or diseases are governed by the Compensation for Occupational Injuries and Diseases Act 130 of 1993, as amended by the Compensation for Occupational Injuries and Diseases Act 61 of 1997 (COID Act).
- The Objective of the COID Act is as follows:
- *“To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith.”*
- The COID Act ensures the right of the employee to be compensated in the event that he/she qualifies i.t.o. COIDA and also protects the employer from civil claims.



# Obligation of the employer to register

- Any employer must, within 7 days of employing any employee, register with the Compensation Fund
- When registering with the CF, the employer declares what the **main** Nature of Business is. We will discuss this in detail in a bit...
- This registration can, in certain instances, be done online on the CF Online site
- The following employers cannot register online and have to submit a manual registration form to the CF:
  - Any entity without a PAYE number;
  - Sole proprietors & partnerships
  - Trusts
  - Non Profit Organisations
  - Schools
  - Churches



# Who is considered to be an employer i.t.o. COIDA

- An employer means any person, including the State, who employs an employee, and includes –
  - Any person controlling the business of an employer;
  - If the services of an employee are lent or let or temporarily made available to some other person by his employer, such employer for such period as the employee works for that other person;
  - A labour broker who against payment provides a person to a client for the rendering of a service or the performance of work and for which service or work such person is paid by the labour broker.
- **In other words, anyone who employs one or more employees is deemed to be an employer.**

# Nature of Business

- As mentioned earlier, the employer declares what the main Nature of business is when registering the business with the CF.
- This determines the Assessment Tariff that will be applied to the business.
- It is imperative that the Nature of Business is accurate with the main running of the business, e.g. there is a huge difference in the tariff of an administrative consultant and an engineering workshop.
- You also cannot declare that your main nature of business is administration, and then when an injury occurs, the task that the employee was performing when he was injured, was harvesting maize



# ROE Season

- For the CF, ROE Season opens on the 1<sup>st</sup> of April annually and is meant to close on the 30<sup>th</sup> of April, however, it is invariably extended e.g. this year it has been extended to the 30<sup>th</sup> of June.
- This is the time period that employers are obliged to submit their annual Return of Earnings in order to prevent penalties.



# Why does the employer pay annual assessments?

- In essence, the Compensation Fund is a Social Insurance.
- The fund provides that employees who are injured or contract an illness whilst on duty, receive proper medical attention and neither they, nor the employer are severely prejudiced with regard to loss of earnings.



# ROE and Assessments

- Now that the employer is registered, they submit their “annual returns” or “Return of Earnings (ROE)”
- This is a declaration of what the Provisional wages will be for the first year of business.
- Hereafter, on an annual basis, the employer will declare what the Actual wages was for the preceding year, as well as the Provisional wages for the year ahead.
- An assessment invoice will be generated for the employer, that needs to be paid within 30 days.
- Once payment is allocated by the CF, the Letter of Good Standing (LOGS) will be available.

# How is the assessment amount calculated?

- This is where the Nature of Business has a major impact.
- As previously discussed, you are provided with an assessment tariff according to your Nature of Business.
- This will be a certain percentage rate.
- The assessment amount will be calculated by multiplying the applicable tariff rate, by the total declared amount (Actual as well as Provisional).
- Bear in mind that on the previous year, you already paid an amount for your provisional earnings.

# How is the assessment amount calculated?

- Let's look at an example of a security company, ABC Security Company whose assessment tariff will be 2.36%.
- Their provisional assessment last year for this year's wages, was R42 480 as they made provision for wages of R1 800 000.
- Due to their business growing, they employed more staff than they anticipated, and the actual wages that they paid was R2 000 000.
- They have made provision for a 5% wage increase, and therefore their provisional estimation will be R2 100 000.



# How is the assessment amount calculated?

ABC Security Company - 99000000000

ASSESSMENT RATE

2.36%

PROVISIONAL ASSESSMENT CALCULATION

OID TOTAL FOR 2022 R 2,000,000.00

ASSESSMENT ESTIMATE R 47,200.00

LESS PREVIOUS PROVISIONAL PAYMENT -R 42,480.00

TOTAL OUTSTANDING FOR CURRENT YEAR R 4,720.00

PLUS NEXT YEAR'S PROVISIONAL R 49,560.00

TOTAL ESTIMATE FOR PAYMENT R 54,280.00

ESTIMATED WAGES FOR 2023 R 2,100,000.00

INCREASE PERCENTAGE 5%

TOTAL PROVISIONAL WAGES DECLARED R 2,100,000.00

ASSESSMENT ESTIMATE R 49,560.00

PROVISIONAL FOR 2022 DONE IN 2021 R 1,800,000.00

2022 PROVISIONAL ASSESSMENT R 42,480.00



# What is included as earnings?

- Remember, there is an annual Cap set by the CF.
- This year, the Cap was set at R506 473
- This means that you will only pay the percentage to the maximum of R506 473 per employee.
- Any earnings of a recurring nature, eg regular overtime, annual bonuses, travel allowance etc. needs to be included in your declaration.



# Penalties

- CF will automatically add penalties for late ROE submissions or payments that are made after the due date.
- Interest will be added on a monthly basis to any outstanding amounts owed to the CF.
- Always remember that you can make a payment arrangement with the CF if you are unable to pay the entire invoice, but you have to keep to the arrangement or you will be liable to pay penalties and interest.





# LOGS

- Once you have made payment of your assessment invoice and the CF have allocated the payment, your LOGS will be generated.
- You have to be able to produce your valid LOGS at any time if requested by the Dept of Labour for them, and many MSP's are requesting valid LOGS in the event that an employee is injured on duty.
- You can download your LOGS from the CF Online site.

# **Your solution to all your Injury on Duty challenges**

**We can assist with the following administration:**

- Employer registrations
- Injury on duty claim registrations
- Annual COIDA compliance
- Injury on Duty training and 24hr IOD support

**CALL US FOR IMMEDIATE ASSISTANCE**

**employers@wcclaims.co.za**

**087 630 1030**



**www.wcasolutions.co.za**





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# PART TWO

## CLAIMS REPORTING AND ADMINISTRATION



# What is an occupational disease or injury

- The COID Act defines an Occupational disease and injury as “any disease mentioned in the first column of Schedule 3 arising out of and contracted in the course of an employee’s employment” and “a personal injury sustained as a result of an accident”
- Schedule 3 is a schedule annexed to the COID Act.
- In layman’s terms, any disease or injury that is a result of an employee performing their duty would be deemed an Occupational Injury or Disease.
- In this workshop, we will be focusing mainly on injuries.



# What to do before there are any injuries

- It is imperative that you know who your employees are.
- Have copies of all your employee's ID's handy.
- If you employ a Foreigner, make sure he/she has a valid work permit and passport.





# What to do in the event that an employee is injured on duty

- You will need to complete an Employer's report of an injury (W.Cl.2).
- Make sure you complete **ALL** questions, even if it is N/A.
- All three pages have to be completed.
- If you want the claim to be accepted quickly, make sure you give enough relevant detail.
- The Medical Service Providers will require certain documents.

# Documents required by MSP's

- The Medical Service Providers will require the following documents:
  - Employer's Report (W.Cl.2)
  - Certified copy of employee's ID/Passport
  - Payslip
  - Travel / Assault Questionnaire if applicable



# Obligations i.t.o. registering the claim

- An employer must register the claim within 7 days of the injury. This **must** be done online on the CompEasy system; the CF does not register emailed claims without a valid reason.
- Medical Service Providers can be extremely persistent in requesting documentation and claim numbers etc. due to historical non-payment.
- Make sure you provide everything the MSP needs, so that you can ensure that the MSP will continue to treat your injured employees in future.





# Obligations i.t.o. payment of wages

- If the employee cannot return to their duties, an employer is required to pay at least 75% of the injured employee's wages for the first 3 months after the injury. Thereafter, the employee can claim directly from the CF.
- The CF are meant to refund the employer, but this takes a very long time.
- The Resumption Report (W.Cl.6) is used for this purpose and this also needs to be uploaded onto the CompEasy system with supporting documentation.

# CompEasy System

- The CompEasy system is used by employers to register claims and upload supporting documentation as well as MSP's to upload Medical Reports and Medical Invoices for payment.
- The employer is obliged to register on the CompEasy system, and this has proven to be a tedious task.

# Most Common Scenarios

- We will deal briefly with the following common scenarios:
  - An injury at the workplace / site;
  - A motor vehicle accident
  - Assault





# At Workplace Injury

- This is a normal injury at the workplace, where for example a Mechanic hits his hand with a hammer.
- If in doubt – register the claim, but bear the MSP in mind with medical costs.
- Exclusion examples:
  - On your way from your car to clock in and fell in the parking area;
  - Having lunch outside and fainted
  - **Any pre-existing conditions**
  - Had a heart attack while at work etc



# Motor Vehicle Accident

- An employee is covered for injuries sustained in an MVA while performing his duties, eg on his way to site etc.
- For the most part, an employee is **not** covered on their way to work from home, or on their way home from work.



# Assault

- An employee is covered for assault that is in the performance of the employee's duties like armed robbery.
- Employees are **not** covered for assault arising from a personal conflict.



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