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Objective

The objective of the Compensation Sub-directorate is the payment of compensation claims i.e. pension payments, lump sum payments and payments in respect of temporary total disablement (loss of salary).

Key Performance Areas

- Improved claims processing
- Reduction of the backlogs.
- Stakeholder education.

Achievement

Several initiatives were launched to deal with the backlogs which have resulted in a 28 % increase in the number of payments.

External Impact

- Knowledgeable stakeholders.
- The number of payments made during the financial year has increased.

Awards made for injuries on duty

The number of awards for compensation has increased by from 42 668 to 54 730 which is an increase of 23.5%

Table 2

Compensation awards
 2000/2001 to 2004/2005

Year	Number
2001/2002	45 236
2002/2003	42 693
2003/2004	53 781
2004/2005	42 668
2005/2006	54 730

Number of payments made
 All compensation.

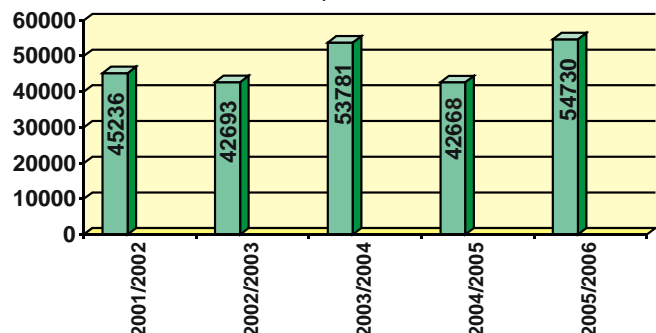




Table 3
Compensation awards in respect of Temporary Total Disablement

Year	Number
2001/2002	30 381
2002/2003	23 358
2003/2004	39 484
2004/2005	28 791
2005/2006	42 690

Number of payments Temporary Total Disbalement

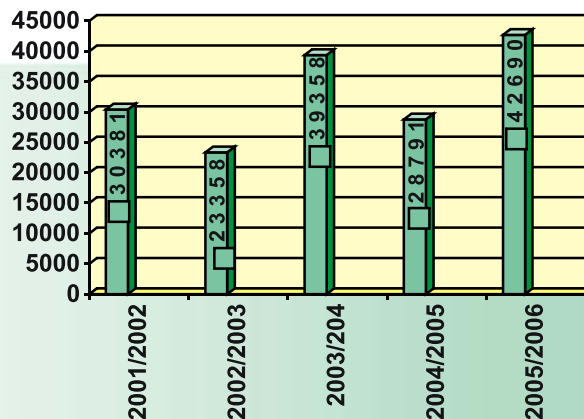


Table 4
Compensation awards in respect of Permanent Disablement (Lump Sums)

Year	Number
2001/2002	4 276
2002/2003	4 052
2003/2004	4 680
2004/2005	7 162
2005/2006	7 040

Number of Payments Permanent Disablement

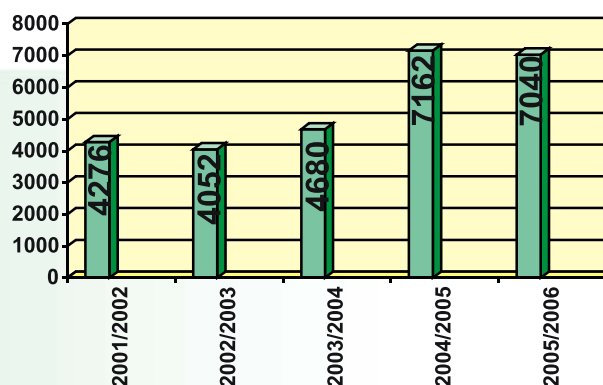
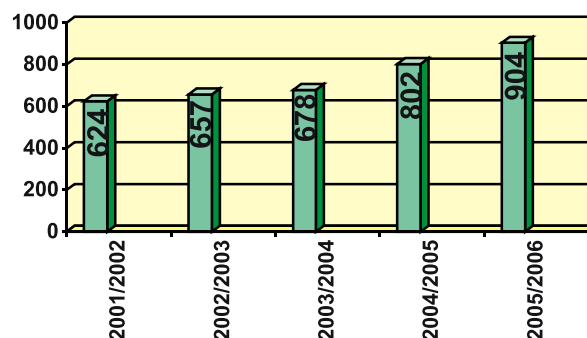


Table 5
Pensions awarded in respect of Permanent Disablement and Fatal Claims.

Year	Number
2001/2002	624
2002/2003	657
2003/2004	678
2004/2005	802
2005/2006	904

Pensions awarded Permanent Disablement and Fatal Claims





The reasons for the increase in the number of awards are as a result of a backlog strategy that was implemented during 2005. The strategy entailed inter alia the establishment of a team whose main task is the writing of letters and follow up on outstanding reports and information. This has released experienced staff to focus on the core business of the sub-directorate. A backlog team investigating unpaid claims of 2 000 was established which has resulted in the finalization of claims and updating the database. A call centre was also established to deal with telephone enquiries which has also resulted in the release of more staff to process claims. Big employers were targeted as part of a campaign to educate employers in submitting claims correctly. In the process their old outstanding claims were processed and they were educated to submit a complete new claim. The internal processes of the Fund was also reviewed through streamlining of certain processes and the integration of the Fund's systems. An investigation through benchmarking of similar organisations in the private sector was initiated. The process is to be finalized in the next financial year.

By the end of the financial year the Fund had 23 608 pensioners of which 22 208 are being paid by means of electronic deposits in their bank accounts. There was an increase in expenditure across the board on all forms of compensation paid during the financial year. The capitalized value of the new pensions awarded in this financial year is R403 m. (R392 m. :2004/05), an increase of 2.8%. The expenditure towards Permanent Disablement (lump sums) was R134 m. (R134 m. : 2004/05), and the expenditure towards Temporary Total Disablement was R114 m. (R77 m. : 2004/05), an increase of 48.05%.

The major challenges for the financial year 2006/07 will be to further improve service delivery by:

- Improving the turnaround time on the payment of compensation
- Eliminating the backlogs in claims.
- Developing and implementing new business processes.
- Accelerating the process of decentralization of the Funds' service to the Labour Centres.