



NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

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Attention News Editors/Business and Labour reporters

Date: January 27, 2022

Nedlac's research on the Comprehensive Social Security and Retirement Reform proposals is published.

Johannesburg, South Africa: DETAILS of the research conducted by Nedlac for the social partners into the Comprehensive Social Security and Retirement Reform (CSSRR) proposals are now available on the National Economic Development and Labour Council (Nedlac) website.

Section 27 of the South African Constitution enshrines the right of access to all for social security and appropriate social assistance if citizens are unable to support themselves.

Nedlac social partners (business, community, labour, and government) recognised the need to build an inclusive system that seeks to address high levels of poverty and inequality in South Africa.

In this regard, Nedlac established the Comprehensive Social Security Retirement Reform (CSSRR) Task Team to engage on the CSSRR Paper (2012), which was approved by Cabinet in 2016 and subsequently tabled at Nedlac for engagement by social partners.

During the task team engagement process, social partners identified a need for research on certain critical aspects of CSSRR mentioned below to assist them in making informed contributions on this matter.

The research reports contain analysis and set of findings which were derived from the different methodological approaches focusing on the following issues:

- *Report 1: Economies of scale* in the South African retirement fund industry sought to quantify the administrative efficiencies and scale economies associated with retirement fund size.
- *Report 2: Actuarial study of the proposed National Social Security Fund (NSSF)*, which dealt with the projections as it is expected that the scheme will be in force in 2022. The methodology used was based on a model developed



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by the International Labour Organization (ILO) for reviewing the long-term actuarial and financial status of national pension schemes.

- *Report 3: Financial Feasibility of the Basic Income Grant (BIG)*, which assessed the fiscal feasibility of providing income support to unemployed individuals aged 18 to 59 in South Africa.

Report 4: Impact of the NSSF on Savings and Investments, which assessed the potential impact of establishing such a fund on savings and investment markets.

- *Report 5: Informal Economy Retirement and Risk Benefits*, which reflected the needs of the millions of workers employed or self-employed in the informal economy. The study was done to prepare technical inputs into a draft policy paper on including casual sector workers in the mandatory retirement system.

Relevant international best practices were considered.

The contents of the research reports do not reflect the viewpoints of the social partners but only that of the researchers involved.

Anyone wishing to access the reports can go to <https://nedlac.org.za/nedlac-reports-and-research/>

ABOUT NEDLAC:

The National Economic Development and Labour Council (Nedlac) is the vehicle by which Government, labour, business, and community organisations seek to cooperate, through problem-solving and negotiation, on economic, labour, and development issues and related challenges facing the country.

Nedlac conducts its business by using one, or all, of the following methods:

- Negotiating formal consensus-based agreements on economic and social policy issues;
- Facilitating engagements and negotiations on proposed policy or legislation before tabling in Parliament;
- Conducting information-sharing sessions and social dialogues on social and economic policies;



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- Tracking the implementation of key economic and social issues and facilitating collaboration and co-ordination of social partners where there will be further implementation;
- Monitoring progress on the consideration of Nedlac reports on various legislative issues which have been concluded at Nedlac;
- Resolving socio-economic disputes in terms of section 77 of the LRA;
- Promoting the formulation of coordinated policy on social and economic matters.

ENDS

Issued by FBI Communications on behalf of Nedlac

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