

PENSIONS

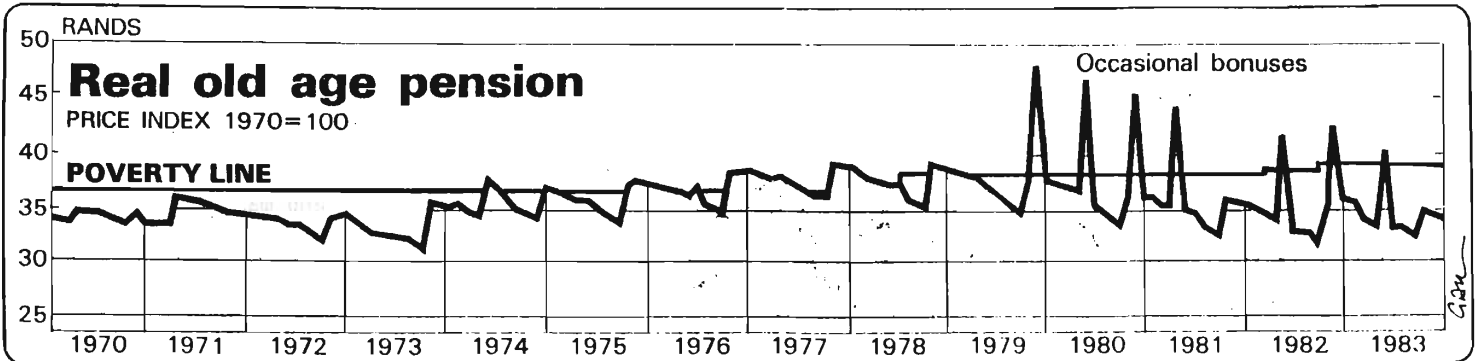


PACSA FACTSHEET

OLD AGE PENSIONS

Whites

Poverty is crippling the lives of white old age pensioners, according to the findings of the University of Witwatersrand Economics lecturer A. Pringle. Some of the pensioners interviewed stated that they told fortunes and bet on horses to supplement their meagre incomes. Others were less fortunate - they admitted that hunger and poverty had reduced them to begging for meals from their neighbours.



Blacks

The above graph shows that the picture for the White aged is very bad. How much more serious then is the situation for Blacks -Indian, 'Coloured' and African?

The different pensions payable (at 1 October 1984) are depicted graphically below. The extremely low level of disbursement - R65 per month - is one of the many difficulties that the African aged face.

White	R166
Indian/ 'Coloured'	R103
African	R65

Rands/Month

'Independent Homelands'	Rands/Month
Bophuthatswana	40
Ciskei	40
Transkei	49

Some of the problems that the aged experience

Means Test

This test is applicable to all social pensioners in most of South Africa, excluding the 'independent' homelands and KwaZulu. This test allows Africans to draw a maximum old age pension (viz. R65) as long as their income does not exceed R21 per month. If the income ranges from R21 to R40, a pensioner receives proportionally, a lower pension until at R40 or more income the pension is nil. In other words, a person does not qualify for a social pension if her income exceeds R40,00 per month.

Applications

One of the most serious problems affecting Africans is the procedure for applying for a pension. This is certainly true in the case of the Natal/KwaZulu area and is also true for the country as a whole - as many reports given at the Carnegie Inquiry into Poverty show.

Through our contact with many elderly people in the Sweetwaters area of Vulindlela, which falls under the KwaZulu Department of Health and Welfare, we have learned of their experiences and frustrations. Many have waited between 6 and 24 months for their pension applications to be processed. This has serious implications for many who are in desperate financial straits, because KwaZulu regulations state that a pension shall be granted at a date to be determined by the Secretary and not from the date of application.

(Note: For White, Indian, 'Coloured' and African - living in so-called 'white areas' - payment is made from the date of application).

Various problems cause the delays experienced by pension applicants. In the Sweetwaters area, the following are two such examples:

MRS. L.M. has a proof-of-age problem. Her I.D. document states her year of birth as 1924, her KwaZulu citizenship card indicates the year as 1918, and her marriage certificate shows 1920. In February 1983 her application was accepted by the local Magistrate's office. With no sign of payment, letters to Ulundi eventually prompted a reply in May 1984 stating that there was no record of this application. A letter to the local Magistrate's office raised the reply that client must call at their office for age assessment. Client still has not received her pension (after 21 months).

MR. J.S.'s application was accepted in April 1983. He was still without a pension in July 1984. Arising from correspondence with Ulundi, it appears that no application was received by them. The local Magistrate's office advised that Ulundi does not record applications that are rejected because of age or other queries. There is no clarity as to why this particular application was rejected. A new application was submitted in October 1984. Mr. J.S. can therefore only expect to receive his pension in January 1985 at the earliest, 21 months after it was first accepted.

Payments

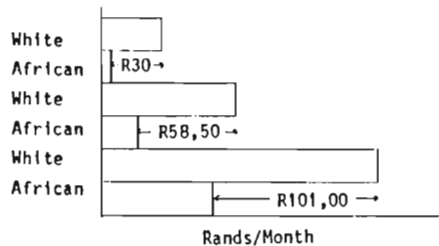
White, Indian and 'Coloured' pensioners collect their pensions on a monthly basis and may choose to have them paid directly into a Post Office, bank or building society savings account.

African pensioners - urban and rural - receive their pensions every second month from magistrates' offices, community halls or shopping centres. Because of the number of people present at any pension pay-out, there is little or no shelter for the majority as they queue for many hours. They are not able to use Post Office, banking or building society facilities. African pensioners wish to receive their pension payment on a monthly basis. A recent survey, according to Mrs. Z. Nel, Director of the National Council of the Aged in the Transvaal, found this to be the case, having interviewed 2 000 pensioners in various areas in the Transvaal. Yet the authorities have said that there would be too much administrative work involved if this was to be done.

DISCRIMINATION

1. Increasing Gap

The gap in the pensions paid to Africans and Whites is widening. In 1970 the gap was R30; in 1977 it was R58,50 and by 1984 the difference had increased to R101.



2. Old Age Home Subsidies

There are three categories of homes for Whites, Indian and 'Coloured' and the subsidies vary according to the percentage of infirm aged accommodated. For Africans there is no such categorisation.

		Whites	'Coloured'	Indian	African
A	40% Infirm Aged	R112	R124	R132	R32 per month
B	40-70% Infirm Aged	R170	R142	-	
C	75% Infirm Aged	R330	R152	-	

STATE PAYMENTS

It is worth remembering that a social pension is a legal right and not a privilege. The above figures are depressing. The State may argue that it does not have the money. If this were the case Cabinet Ministers and M.P.s could not have received increases of up to 42.6% (payable retrospectively from January 1984). Their annual salaries are now R78 000 and R43 000 respectively.

Early in 1984 old age pensioners were given increases of about 10% - which became payable on 1 October 1984. When the previous Minister of Finance (Mr. O. Horwood) retired in mid-1984 he qualified for a pension of R78 000 per annum or R6 500 per month -- a figure 100 times the amount that an African old age pensioner receives.

*He who closes his ear to the cry of the poor
will himself cry out and not be heard.*