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# Calculating TTDs

**T**emporary Total Disablement (TTD), also known as a temporary income replacement benefit, is the payment of an employee for his days off work while injured, or while recovering from his work-related injury or disease.

TTDs are only paid if the employee is off work for more than three days, is undergoing medical treatment and has been booked off by the treating doctor either by means of a medical report or a sick note.

In the last issue of RMAConnect we gave an overview of TTDs and how to submit these to RMA. In this issue we will focus on the calculation of TTDs and the various salary/wage scenarios that may affect these calculations.

In accordance with COIDA, an injured/ill employee does not receive their full lost earnings during their absence from work due to injury/illness. This encourages return to work. However, please note that TTD payments in terms of COIDA are tax-free. For minimum and maximum payments, please refer to item 1 of Schedule 4 of COIDA.

### What is the formula for calculating TTDs?

The standard formula for calculating TTDs below is based on monthly paid salaried employees. However, please refer to the section below entitled payment scenarios to obtain the formulas for fortnightly, weekly and hourly paid wage employees.

Accident earnings x 75%/30.3333 x days off = TTD payment

### What are accident earnings?

Accident earnings are made up of the following work-related income i.e.:

1. Basic earnings: R7 500
2. Variable earnings: R2 000
3. Non-variable earnings: R500

**Accident earnings: R10 000**

**Variable earnings:** this is not a consistent amount paid to the employee and at times is not paid every month, but varies from month to month - for example:

- Overtime
- Production bonus
- Safety bonus
- Standby

**Non-variable earnings:** this is a consistent amount paid to the employee each month, usually as part of the employee's contract - (non-variables should be fixed, regular and taxable) for example:

- Holiday leave allowance
- Housing allowance
- Cell phone allowance
- Travel allowance

According to the COIDA Act, the earnings should be calculated at the rate the employee was being remunerated at the time of the accident and should include:

- the value of any food or quarters or both supplied by the employer; and
- any overtime payment or other special remuneration in cash or in kind of a regular nature or for work ordinarily performed.

**But should exclude:**

- payment for intermittent overtime;
- payment for non-recurrent occasional services;
- amounts paid by an employer to an employee to cover any special expenses; or
- ex gratia payments whether by the employer or any other person.

### Payment scenarios

#### 1. Monthly paid employee

Formula: Accident Earnings X 75% / 30.3333 X the number of days off = TTDs

Example: Accident Earnings = R10 000

$R10\ 000 \times 75\% = R7\ 500 / 30.3333 = R247.25 \times 30\ \text{Days Off} = R7\ 417.59$

#### 2. Fortnightly paid employee

Formula: Fortnightly rate x 2.1666 X 75% / 30.3333 X the number of days off = TTDs

Example: Fortnightly rate = R5 000

$R5\ 000 \times 2.1666 = R10\ 833 \times 75\% = R8\ 124.75 / 30.3333 = R267.84 \times 30\ \text{Days Off} = R8\ 035.47$

#### 3. Weekly paid employee

Formula: Weekly rate x 4.0 X 75% / 30.3333 X the number of days off = TTDs

Example: Weekly rate = R1 500

$R1\ 500 \times 4.0 = R6\ 000 \times 75\% = R4\ 500 / 30.3333 = R148.35 \times 30\ \text{Days Off} = R4\ 450.55$

#### 4. Hourly paid employee

Formula: Hourly Rate x number of hours worked X 75% / 30.3333 X the number of days off = TTDs

Example: Hourly rate = R40.00

$R40 \times 320\ \text{hours worked} = R12\ 800 \times 75\% = R9\ 600 / 30.3333 = R316.48 \times 30\ \text{Days Off} = R9\ 494.51$

### What is the duration of TTD payments?

TTDs are paid from day four and can continue up to one year (12 months), depending on the extent of the injury or disease. If the injury/disease continues beyond 12 months, RMA will reassess the claim and the possibility of continuing payment. However, TTDs continuing for more than two years (24 months) may be considered permanent disablement.



# Understanding the impact of reporting delays

**A**n employee has been injured or fallen ill at your workplace and you are uncertain whether to report it, or your company has a lengthy internal reporting process, or the injured/ill employee has been referred for further tests, all resulting in delays in reporting the incident to RMA.

The legislated reporting period according to COIDA is:  
Accident: Reported to RMA within **7 days** of being informed of the accident.  
Disease: Reported to RMA within **14 days** of being informed of the disease.

## What is the consequence of not reporting an injury/disease timeously?

Reporting delays have a serious impact on the claiming and payment process, resulting in numerous challenges, including:

- Healthcare providers not being paid timeously for services rendered. Delays in payment could cause the healthcare provider to turn away claimants in future;
- Temporary Total Disablement (TTD) claims not being submitted timeously and ultimately delays in payment to claimants;
- Delays in compensation to beneficiaries of a deceased employee;
- Lack of medical reports;
- Black listing of the injured employee; and
- Escalation of costs per claim.

## When do I report an injury/illness to RMA?

All work-related injuries on duty, regardless of the severity of the injury, need to be reported to RMA. This includes:

- First aid cases
- minor lacerations
- contusions
- abrasions

According to the Compensation for Occupational Injuries and Diseases Act (COIDA), if an employee reports an accident alleged to have taken place in the workplace yet the employer is not convinced it is a work-related accident, it must still be reported to RMA.

## How do I report an injury/illness to RMA?

Reporting can be done in one of two ways:

1. Electronically via RMA's claims management system, C-Filing; or
2. Though RMA's quick and easy telephonic reporting on 0860 222 132.

Due to the user-friendliness and speed of RMA's system, the majority (78%) of Class XIII employers currently report electronically. In order to report an injury electronically, your company needs to be registered with RMA's online services on the website ([www.randmutual.co.za](http://www.randmutual.co.za)).

## What are the current reporting delay trends?

As Class XIII employers were transferred to RMA on 1 March 2015, we are currently still establishing and evaluating trends, but on average the reporting delays between March and May 2015 is 10 days.

## What are the most common reasons for reporting delays?

Based on three months' worth of data, the key reasons for reporting delays among Class XIII employers are mainly attributed to:

- Class XIII members still getting to know and understand RMA's processes, and how and where to report to RMA.
- Many employers use third parties who report and submit claims in bulk and not as and when they occur.

## How can reporting delays be avoided?

In order to avoid reporting delays from occurring, we urge employers to:

1. Report ALL work-related injuries on duty, regardless of the severity of the injury;
2. Use any of the two easy to use reporting processes available; and
3. Instruct third parties to meet the legislated reporting deadlines.

Please remember that reporting delays have consequences in the compensation claim chain and ultimately can hinder your employee from being assisted, treated and paid when they need it most.

Should you have any suggestions that could further assist the reduction of reporting delays, please do not hesitate to share these with RMA by emailing [contactcentre@randmutual.co.za](mailto:contactcentre@randmutual.co.za) and using the wording "Improved reporting delays" in the subject line.

# Telephonic reporting: As easy as 1,2,3



Reporting claims is now as easy as picking up the telephone thanks to the telephonic reporting option introduced by RMA earlier this year, particularly for those employers who are not set up to submit claims electronically.

RMA introduced telephonic reporting as a quick and easy method for employers to be able to report claims within the timeframes as specified in the COID Act and to avoid reporting delays (please refer to article on reporting delays on page 2). In the last issue of RMAConnect we informed you of the RMA claims cycle and guided you step-by-step through the claiming process. Telephonic reporting is one of two main alternatives for reporting a claim, the other being online submission.

Currently the majority of Class XIII employers are submitting claims online (78%) by means of the user-friendly claims management system, C-Filing, with telephonic reporting being used by around 19% of employers.

## How do I report a claim telephonically?

**Step 1:** Employer to call the RMA Contact Centre on 0860 222 132 within seven days for an injury and 14 days for a disease.

**Step 2:** Employer to have their BP number handy and to supply the contact centre agent with their RMA member number and pin.

**Step 3:** Employer to supply the following information:

- Name of person reporting the event
- Contact number of the person reporting the event
- Name of the injured/ill employee
- ID number of the injured/ill employee
- Cell number of the injured/ill employee
- Employee number of the injured/ill employee
- Occupation of the injured/ill employee
- Date of accident

- Time of accident
- Location of accident
- Description of how the accident/disease occurred
- Description and severity of the injury/disease - please include the body part, which side of the body has been affected (right/left/back/front/multiple) and whether the injury sustained is a fracture/contusion/laceration/amputation etc.

**Step 4:** The contact centre agent will complete the notification of the accident/disease and submit the claim on your behalf.

**Step 5:** Once the claim has been submitted, the system will automatically generate a claim number, known as a personal event number (PEV), which will be given to you by the contact centre agent.

**Step 6:** The claim form will be sent to the employer by email. A claims assessor will be in touch with you to obtain the supporting documentation.

**Step 7:** An SMS will be sent to the injured employee informing them that their claim has been lodged.

## What documentation do I need to submit with my claim?

- Declaration of accident earnings (average earnings of the injured employer for six months prior to the accident);
- Copy of ID document;
- Banking details of the injured employee – either a letter from the bank or a bank statement of the employee;
- RMA First Medical Report;
- RMA Progress Medical Report – in the case of ongoing treatment only; and
- RMA Final Medical Report – when an injured employee has reached maximum medical improvement (MMI).

# Keeping an eye on the ball



**THANKYOU...** RMA General Manager Information and Communications Technology, Yunoos Mohammed, is thanked by Laerskool Glenharvie Combined principal Hercule du Preez and some of the under 19 netball team members.



**PROUD DISPLAY...** The netball team members proudly wear their team tracksuits sponsored by RMA. With the team are coach, Nadine Putter (back left), and co-coach, Jacomine du Preez (back right).

**R**MA recently sponsored netball uniforms for talented young players at the Laerskool Glenharvie Combined as part of its corporate social responsibility programme and in line with its business model of Caring, Compassionate Compensation.

Most of the parents at the school are employed at the Sibanye Gold Kloof mine in Westonaria.

The school's under 19 team is a developmental team that includes younger players, with some as young as 15, who are being groomed to not only take over from the older players as they leave the school, but to be able to apply for sports bursaries when entering university.

The team has been entered into two leagues, namely the school league and the West Rand Netball all clubs league.

"We are proud to say that we are currently first in the West Rand C league and expect to move into the B league shortly. This league is made up of older players and gives the girls fantastic exposure to play at a higher level and it has been a great learning curve for them. I am really trying to develop and groom these girls so that they may qualify for bursaries when the time comes.

"Three of the players also qualified for the Gauteng trials," says delighted coach, Nadine Putter.

The netball team is captained by Athule Stefane and stand out players include

the goal keeper, Cikizwa Mabude and goal defence/goal attack Zanele Machingwane. The team was sponsored with a tracksuit, a netball dress, netball takkies and a sports bag from RMA.

"The girls are very dedicated and the sponsorship has meant so much to them as many of them would not have been able to afford to pay for the kit themselves. Having professional kit means that they can enter the field with confidence, and having the correct takkies also means that injuries are reduced.

"We would really like to thank RMA for the sponsorship. It is good to know that someone still cares about the children," concludes Putter.



**ALL DRESSED UP...** Team members sport the netball dresses sponsored by RMA.



**HAVING A BALL...** Team members put in hours of training and dedication to achieve success.

# A rainbow of clothing for flood victims



**W**hen devastating floods hit Malawi earlier this year, 221 RMA pensioners were directly affected, many of whom were stranded and some even lost their homes.

It was not long before RMA staff opened their hearts to help by donating fabric in what became known as the Rainbow Clothing Project, spearheaded by RMA's prosthetics partner, Marissa Nel and Associates.

The donations ranged from old curtains, duvet covers and off-cut pieces of used material, which the prosthetic team at Marissa Nel's were personally cutting and sewing over weekends to create a unique clothing range especially for the children of those pensioners who lost everything in the floods.

More than 600 items of clothing were made and delivered across Malawi during RMA's mobile clinic's six week visit to the country.

The project also included visits to pensioners and widows affected by the floods in the districts of Phalombe, Zombi, Thyolo, Balaka, Dedza, Ntcheu and Blantyre. Some pensioners lost their homes and are living with family members while others had their only income of agriculture destroyed through fields that were either waterlogged or washed away. Fortunately none of our pensioners or their families were affected by the resultant outbreak of disease following the floods.



## Introducing MIBCO

Having taken over the Class XIII business in March 2015, RMA has developed good working relationships with many important industry stakeholders. One such stakeholder is the Motor Industry Bargaining Council (MIBCO), comprising of both employer and employee representative organisations, which strives to maintain industrial peace and stability within the motor industry.

### Who should be registered with MIBCO?

- Manufacturing & vehicle body building establishments;
- Remanufacturing establishments;

- Reconditioning establishments;
- Service and repair fitment centres;
- Fuel dealers, service stations and related establishments; and
- Dealer sales and distribution establishments.

### Why register with MIBCO?

Membership of MIBCO offers a number of valuable benefits including, among others, negotiations around conditions of employment, settlement of labour disputes and the provision of several social benefits. To find out more, please [click here](#).

## Contact RMA:

Let us know what you would like to know more about in the upcoming issues of RMA Connect.

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