



2025/03/31

## COIDA AMENDMENT ACT: WHAT, WHEN, WHY AND HOW

An important development has occurred in the employee relations sector with the enactment of the Compensation for Occupational Injuries and Diseases Amendment Act 10 of 2022 (COIDA Amendment Act) as of January 2026.

The original legislation Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA 1993 Act) resolved workplace injuries through a purely financial compensation model. The Amendment Act has fundamentally altered the employer's obligations, enforcement mechanisms and employee protections.

The COIDA Amendment Act introduces significant changes to South Africa's occupational injury framework. These changes are already in effect, and failure to comply carries severe financial penalties.

Below is a summary of important implications for your company.

### 1. Implementation Timeline

The amendments were implemented in phases; your company needs to ensure compliance:

Effective Date	Key Changes
23 January 2026	Expanded definitions (PTSD recognised), 3-year prescription period, expanded travel liability, rehabilitation framework (Chapter VIIA), new inspectorate powers.

**Effective Date****Key Changes****1 February 2026**

Governance amendments to the Compensation Board structure.

**6 March 2026**

Rehabilitation, Reintegration and Return-to-Work (RRR2W) Regulations.

**1 April 2026**

Administrative penalty system replaces criminal offences.

**2. Key Changes Affecting you the Employer****2.1 Expanded Scope of Coverage**

The definitions of "accident" and "in the course of employment" have been broadened:

**Change****Implication****PTSD formally recognised**

Post-traumatic stress disorder is now explicitly listed as an occupational disease. Claims for mental health conditions arising from workplace trauma, bullying, or cumulative stress are now compensable

**Work related training covered**

Accidents occurring while attending work related training are now deemed to occur in the course of employment

**Employer-provided transport**

Travel in employer-provided transport is covered from the designated pick-up point to the drop-off point. This formalises and broadens prior coverage

**Serious misconduct not excluded**

Compensation is payable even if the accident is attributable to the employee's serious and willful misconduct (subject to certain qualifications)

**HR Task:** Update your accident reporting protocols to include training-related incidents and transport accidents. Review transport arrangements and ensure pick-up/drop-off points are clearly defined.



## 2.2 Extended Prescription Period

The period within which an employee can lodge a compensation claim has been extended from 12 months to 3 years from the date of the accident. This is in alignment with the ordinary prescription rules under the Prescription Act 68 of 1969.

Importantly, this claim period extension applies retrospectively to all accidents that occurred and diseases diagnosed before the effective date (23 January 2026).

**HR Task:** Audit historical records for accidents and occupational diseases that may now fall within the extended prescription window. Do not assume that old incidents are closed.

## 2.3 New Rehabilitation Reintegration and Return-to-Work Framework

The RRR2W Regulations (effective 6 March 2026) impose substantial new obligations on employers:

Obligation	Requirement
<b>Appoint Health &amp; Wellness Representative</b>	Designate an employee with requisite experience and knowledge to act as liaison with the Compensation Fund on rehabilitation matters
<b>Facilitate rehabilitation access</b>	Provide access to rehabilitation programmes (clinical, vocational, and social) for employees with temporary or permanent disablement
<b>HR Policy integration</b>	Incorporate rehabilitation, reintegration, and return-to-work provisions into HR policies, which must be communicated to all employees
<b>Record retention</b>	Keep rehabilitation, reintegration, and return-to-work reports for a minimum of 30 years
<b>Provide reasonable accommodation</b>	This may include changing physical environment, adjusting work schedules, modifying job tasks, or alternative placement for affected employees

**Important Note:** Employers may not dismiss an employee based on incapacity or reduce their remuneration due to an injury on duty without complying with labour



legislation. Any such dismissal must be reported to the Chief Inspector and the Compensation Fund in writing, stating the reasons; essentially why RRR2W programme has been unsuccessful or impractical.

**HR Task:** Appoint a Health and Wellness Representative, update HR policies to include RRR2W provisions, and review incapacity procedures to ensure alignment with new reporting obligations.

#### 2.4 Administrative Penalties (Effective 1 April 2026)

Criminal offences previously assigned to employers in the COIDA 1993 Act have been replaced with a harsh administrative penalty system:

Violation	Penalty
Failure to report accident within 7 days	Full compensation payable plus interest from accident date
Failure to pay first 3 months of temporary disablement compensation	Double the 3-month amount plus interest
Failure to maintain proper records	Up to 10% of actual or estimated annual assessment
Failure to keep (compensation) records for 5 years	Up to 10% of actual or estimated assessment/earnings
Unlawful deductions from employees' compensation	

**HR Task:** Implement systems to ensure accident reporting within 7 days, maintain payroll processes to pay the first 3 months of compensation, and establish a record keeping protocol for 5-year retention. Records must be produced on demand; this necessitates a systematic record management practice.

#### 2.5 Enhanced Inspectorate Powers

Inspectors now have broad powers under Chapter XA to investigate or assess non-compliance with the Act:

- Enter workplaces without prior notice (in exceptional circumstances)



- Question/Interview personnel and management
- Inspect and copy records
- Remove Items for investigation purposes
- Issue compliance orders enforceable through the Labour Court

**Important Note:** Employers must co-operate and answer truthfully. Inspectors must give 14 days' notice for routine inspections but may conduct unannounced inspections in exceptional cases.

**HR Task:** Designate a responsible person to manage inspector engagements and ensure records are accessible and up to date.

## 2.6 Contractor Liability

Section 89 requires sub-contractors to independently register with the Compensation Fund and pay assessments. If a sub-contractor fails to do so, their employees are deemed employees of the main contractor, who then becomes liable.

**HR Task:** Require proof of COIDA registration and assessment payment from all sub-contractors. Incorporate indemnities into contracts.

### Why the Radical Shift?

The original COIDA 1993 Act was designed as a "no-fault" insurance scheme. Its purpose was simple: provide quick, limited compensation to injured workers in exchange for removing the employer's civil liability.

The COIDA Amendment Act creates a sustainable economy of labour. Instead of discarding injured workers (which increases social welfare costs and recruitment expenses), the Act now mandates their retention and retraining. For employers who embrace this, it results in higher loyalty, lower turnover costs, and a more resilient workforce.

Non-compliance incurs heavy penalties; equally, proactive participation in RRR2W programmes can earn your company a rebate and lower your assessment.

COIDA Amendment Act: Let Cyclopedic Consulting handle the complexity. We speak COIDA fluently



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