

1 April 2020

COVID- 19 Temporary Employee/Employer Relief Scheme (C19TERS)

In view of the declaration of the National Disaster, the Minister of Employment and Labour has issued a Directive called COVID-19 Temporary Employee / Employer Relief Scheme (C19 TERS). During this period of lockdown, some businesses will have to shut down and employees laid off temporarily. The Department of Cooperative Governance and Traditional Affairs therefore anticipate that employees may lose income. Employers are encouraged to continue to pay employees, but where this is not economically possible; they have created a special benefit under the Unemployment Insurance Fund as per the Directive COVID-19 Temporary Employee / Employer Relief Scheme. The aim of the directive is to make provision for the Payment of benefits to the Contributors (employees) who have lost income due to the COVID-19 pandemic. It is important to note that this is an additional benefit to the existing benefits such as illness, reduced work time and unemployment.

The following qualifying criterion applies:

- Should an employer as a direct result of COVID-19 pandemic close its operations for 3 (three) months or a lesser period and suffer financial distress, the company shall qualify for a Covid19 Temporary Relief Benefit, which must be paid towards the cost of salary for the employees during the temporary closure of the business operations.
- The benefit shall be de-linked from the Unemployment Insurance Fund's (UIF) normal benefits and therefore the normal rule that for every 4 (four) days worked, the employee accumulates a one day credit and the maximum credit days payable is 365 for every 4 (four) years will not apply.
- The salary benefits will be capped to a maximum amount of R17 712, 00 per month per employee. The benefit per employee will be paid in terms of the income replacement rate sliding scale (38 % -60 %) as provided in the Unemployment Insurance Act. This gazette is also available free online at www.gpwnline.co.za .
- The salary benefit will be calculated in terms of sections 12 and 13 of the Unemployment Insurance Fund Act.
- For the company to qualify for the temporary financial relief scheme, it must satisfy the following requirements:
 - The company must be registered with the Unemployment Insurance Fund;
 - The company must comply with the application procedure for the financial relief scheme;
 - The company's closure must be directly linked to the COVID-19 pandemic.
- A company who is operational and which pays remuneration to its employees during this period, albeit on short-time, is not entitled to this benefit. A full closure of operations is required to qualify for benefit in terms of the scheme.

An application can be lodged as follows:

- The employers shall apply by reporting their closure to email box Covid19ters@labour.gov.za and there shall be an automatic response outlining the application process.

- The employer shall be required to furnish the Unemployment Insurance Fund with the following completed documents:
 - Letter of Authority, on an official company letterhead granting permission to an individual specified to lodge a claim on behalf of the company;
 - Signed Memorandum of Agreement (MOA) from the employer with the Unemployment Insurance Fund;
 - Prescribed template that will require critical information from the employer;
 - Evidence/payroll as proof of last three months employee/s salary/ ies;
 - Confirmation of bank account details in the form of certified latest bank statement.

All documentation must be submitted to the Unemployment Insurance Fund via the dedicated mailbox: Covid19UIFclaims@labour.gov.za . If the documents are complete; valid and accurate, it will be processed through an automated calculator to produce the benefit amount due to the beneficiaries and the total amount to be transferred to the employer. Payment will only be effected after the MOA sign off between the Fund and the Employer.

The Unemployment Insurance Fund has provided a dedicated line that assists all employer/ employees/Bargaining Councils on COVID19TERS. The contact number is 012 337 1997. Alternatively, you may contact your local RMI Industrial Relations Specialist.

Sources

COVID-19 TERS Easy Aid, Department of Employment and Labour, March 2020.

Disaster Management Act: Directive: Coronavirus Covid19 Temporary Employee / Employer Relief Scheme (C19 TERS), 2020

