



## **UIF to process covid-19 temporary employee/employer relief scheme(TERS) to assist employers and workers during coronavirus (COVID-19) lockdown**

On 26 March 2020 the Minister of Employment and Labour published a directive (“Directive”) clarifying certain aspects of the Regulations to the Disaster Management Act 57 of 2002.

The Directive is effective from 26 March 2020 for a period of three months and provides:

- due to the lock down employees may be laid off temporarily and may not be paid;
  - Whilst employers are encouraged to pay employees during this period they are not obliged to do so;
  - Where it is not economically possible for employers to pay employees a special benefit fund has been set up under the auspices of the Unemployment Insurance Fund (“UIF”); the TERS;
- a) A company which has to close its operations for a period of three months or less due to the COVID-19 pandemic will qualify for TERS benefit, provided that:
- (a) The company is registered with the UIF;
  - (b) The company must comply with the application procedure for the financial relief scheme; and
  - (c) The company’s closure must be directly linked to the COVID-19 pandemic.

The benefit shall be de-linked from the UIF’s normal benefits and therefore the normal rule that for every four days worked the employee accumulates a one day’s credit and the maximum credit days payable is 365 for every four years will not apply.

The benefit will only be for the cost of salary for employees during the temporary closure.

The salary benefits will be capped to a maximum amount of R17,712 per month per employee and an employee will be paid in terms of the income replacement sliding scale (38%-60%) as provided for in the Unemployment Insurance Act. This is subject to the limitation that at no time will the salary paid fall before the minimum wage provided for in a particular sector. Presumably this would also take into account the National Minimum Wage.

In addition to the above, an employee who is in quarantine for 14 days due to the COVID-19 pandemic will qualify for illness benefits. Where the employee is in an agreed self-quarantine for 14 days then the employer and employee must both submit confirmation of this. Confirmation letters will suffice in this regard. Where the employee is quarantined for a period exceeding 14 days then a medical certificate must be submitted by a doctor for continued payments.

Employers must apply by reporting their closure via email to [Covid19ters@labour.gov.za](mailto:Covid19ters@labour.gov.za)

An automatic response will be generated setting out the application process. The employer shall be required to submit the following documents:

- a) Letter of authority from the company; and
- b) Signed memorandum of agreement from the employer or Bargaining Council with the UIF.

The directive should be welcomed as providing clarity on the TERS benefits and the process for obtaining same. It provides employers and employees with a form of temporary relief during the upcoming weeks.

UIF has developed a hotline **number: 012 337 1997** for Covid–19 TERS Benefit enquiries during the lockdown period.

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