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GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF LABOUR
NOTICE 215 OF 2020

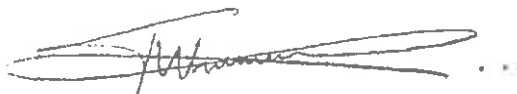
**COVID-19 TEMPORARY EMPLOYEE / EMPLOYER RELIEF SCHEME
(C19 TERS), 2020**

No. R.

2020

DIRECTIVE BY THE MINISTER OF EMPLOYMENT AND LABOUR IN TERMS OF REGULATION 10 (8) ISSUED BY THE MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS IN TERMS OF SECTION 27 (2) OF THE DISASTER MANAGEMENT ACT, 2002 (ACT NO. 57 OF 2002)

I, Thembelani Waltermade Nxesi, the Minister of Employment and Labour, in terms of Regulation 10 (8) of the Regulations issued by the Minister of Cooperative Governance and Traditional Affairs in terms of section 27 (2) of the Disaster Management Act, 2002 (Act No. 57 of 2002) has determined that it is necessary to implement steps in respect of the administration of the COVID-19 through the Covid19 Temporary Employee / Employer Relief Scheme to prevent an escalation of the COVID-19 infections funded through the National Disaster Benefit .



**MR. T. W. NXESI, MP
MINISTER OF EMPLOYMENT AND LABOUR**

DATE: 25/03/2020

SCHEDULE

PREAMBLE

The President has on the 15 March 2020 declared the Covid-19 pandemic a National Disaster and announced several extraordinary measures to combat this grave public health emergency. The National Disaster has been declared in terms of the National Disaster Act, 2002 (Act No. 57 of 2002) ("the Act"). As a result of this declaration, the Minister of Cooperative Governance (COGTA) has made Regulations in terms of section 27 (2) of the Act. In terms of Regulation 10(8), the Minister empowers various Ministers to issue Directives with regard to the National Disaster in respect of matters falling within their respective mandates.

On the 23rd March 2020, the President announced the national lockdown in order to curb the spread of the Covid-19.

In view of the declaration of the National Disaster, in terms of Regulation 10(8), the Minister of Employment and Labour has issued a Directive called Covid19 Temporary Employee / Employer Relief Scheme (C19 TERS).

During this period of lockdown, companies will have to shut down and employees laid off temporarily. This means that employees are compelled to take leave, which is not out of choice. We therefore anticipate that employees may lose income. Employers are encouraged to continue to pay employees, but where this is not economically possible; we have created a special benefit under the Unemployment Insurance Fund as per the Directive Covid-19 Temporary Employee / Employer Relief Scheme.

1. Definitions

- 1.1 In these Directives, unless the context otherwise indicates –
- 1.1.1 **“UI Act”** means the Unemployment Insurance Act, 2001 (Act No. 63 of 2001) as amended and any word or expression to which the meaning has been assigned in the Act has that meaning;
- 1.1.2 **“COVID-19”** means the 2019 coronavirus (SARS-COV2/COVID-19);
- 1.1.3 **“COVID-19 National Disaster”** means a national disaster relating to the Covid-19 pandemic declared in Government Notice No. 313 of Government Gazette No. 42096 on 15 March 2020;
- 1.1.4 **“Quarantine”** means separating a symptomatic individual potentially exposed to a disease from non-exposed individuals in such a manner so as to prevent possible spread infection or contamination;
- 1.1.5 **“Covid-19 temporary employee / employer relief scheme”** means a scheme established to compensate employees who have lost income due to Covid-19; and

1.1.6 *“temporary lay-off”* means a temporary closure of business operations due to Covid-19 pandemic for the period of the National Disaster.

2. Purpose

2.1 The purpose of this Directive is –

2.1.1 To make provision for the –

- (a) Payment of benefits to the Contributors who have lost income due to Covid-19 pandemic;
- (b) Minimise economic impact of loss of employment because of the Covid-19 pandemic;
- (c) Avoid contact and contain the spread of Covid-19 during the process of application for benefit;
- (d) Establish the Temporary Employee / Employer Relief Scheme and set out the application process for benefits of the Covid-19 pandemic and to alleviate economic impact of Covid-19;

- 2.1.2 to make provision for online applications for benefits in order to avoid contact during the national disaster period.

3. Covid-19 Employee / Employer Temporary Relief Scheme (C19 TERS)

- 3.1 Should an employer as a direct result of Covid-19 pandemic close its operations for a 3 (three) months or lesser period and suffer financial distress, the company shall qualify for a Covid-19 Temporary Relief Benefit.
- 3.2 The benefit shall be de-linked from the UIF's 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.
- 3.3 The benefits will only pay for the cost of salary for the employees during the temporary closure of the business operations.
- 3.4 The salary benefits will be capped to a maximum amount of R17 712, 00 per month, per employee and an employee will be paid in terms of the income replacement rate sliding scale (38%-60%) as provided in the UI Act.

3.5 Should an employee's income determined in terms of the income replacement sliding scale fall below the minimum wage of the sector concerned, the employee will be paid a replacement income equal to minimum wage of the sector concerned.

3.6 Qualifying employees will receive a benefit calculated in terms of sections 12 and 13 of the UI Act, provided that an employee shall receive a benefit of no less than sector specific minimum wage.

3.7 For the company to qualify for the temporary financial relief scheme, it must satisfy the following requirements –

3.7.1 The company must be registered with the UIF;

3.7.2 The company must comply with the application procedure for the financial relief scheme; and

3.7.3 The company's closure must be directly linked to the Covid-19 pandemic.

4. Illness benefit

4.1 Where an employee is in quarantine for 14 days due to Covid-19 pandemic, the employee shall qualify for illness benefit.

- 4.2 Confirmation from both the employer and the employee must be submitted together with the application as a proof that the employee was in an agreed pre-cautionary self-quarantine for 14 days.
- 4.3 In this instance, the confirmation letters from the employer and employee shall suffice.
- 4.4 Should an employee be quarantined for more than 14 days, a medical certificate from a medical practitioner must be submitted together with continuation form for payment.

5. Application procedure

- 5.1. 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.
- 5.2 The employer shall be required to furnish the Unemployment Insurance Fund with the following completed documents:
- 5.2.1 Letter of authority from the company;
- 5.2.2 Signed Memorandum of Agreement (MOA) from the employer or Bargaining Council with the UIF;
- 5.3 An employee who is being paid by the employer during this period is not

entitled to this benefit.

6. Short title

6.1 This Directive is called the "Covid-19 Temporary Relief Scheme, 2020".

7. Commencement

7.1 This Directive shall commence immediately from the date of publication by Minister of Employment and Labour notice in the Gazette.

7.2 This Directive remains in operation for a period of 3 (three) months or until they are withdrawn by the Minister, whichever comes first.

A photograph of three construction workers wearing yellow hard hats. The central figure is a Black man in a blue work shirt, looking directly at the camera. To his right is a white man in a green safety vest and yellow hard hat, looking off to the side. To his left, the back of another worker's head and shoulders is visible. The background shows a construction site with a crane.

**TEMPORARY
EMPLOYER/EMPLOYEE
RELIEF SCHEME
EASY AID**



TEMPORARY EMPLOYER/EMPLOYEE RELIEF SCHEME (TERS)

1. THE CURRENT TERS PROCESS

- 1.1. The TERS process came into effect on 11 December 2019 when it was approved by the Director General of the Department of Employment and Labour.
- 1.2. In terms of the TERS process, the Unemployment Insurance Fund (UIF) may fund distressed companies directly in relation to the TERS Allowance.
- 1.3. The distressed company will only be funded if it meets the key requirements of the UIF being:
 - 1.3.1. Distressed company is able to demonstrate that it has been compliant with the relevant UIF legislation;
 - 1.3.2. If not compliant, the distressed company undertakes to pay outstanding contributions and bring its declarations up to date within a stipulated timeframe;
 - 1.3.3. The distressed company is able to demonstrate that it will/or has embarked upon a turnaround or sustainability programme which will result in job preservation at the expiry of the funding agreement; and
 - 1.3.4. The distressed company will be able to meet its obligations in relation to the UIF legislation.

2. CENTRAL ADJUDICATION COMMITTEE

- 2.1. The Central Adjudication Committee will consider applications of applicants and issue three (3) decisions being:
 - 2.1.1. If the applications are for wage subsidy, a wage subsidy ruling will be directed to the UIF for processing;
 - 2.1.2. Where a company requires over and above wage subsidy and training intervention, the Commission for Conciliation, Mediation and Arbitration (CCMA) will issue ruling directed at the relevant Sector Education and Training Authority (SETA); and
 - 2.1.3. Where a company requires turn around solution intervention, the CCMA will issue ruling to Productivity SA.

3. SALIENT POINTS OF THE TERS PROCESS

- 3.1. To obtain application forms and all relevant details, please send an email to infoTERS@labour.gov.za

- 3.2. Companies must send an application for TERS to the CCMA (applications should be sent to MosaB@ccma.org.za).
- 3.3. Within 5 days of receipt of complete, valid and accurate applications, the adjudication committee will consider the application and the company will receive a letter with a ruling informing them of the success or rejection of the application.
- 3.4. A company with a successful application shall be required to enter into a formal Memorandum of Agreement (MOA) with the UIF.
- 3.5. A draft MOA shall be sent to the company for inputs.
- 3.6. The draft MOA shall then be subjected to legal scrutiny and vetting. After which the final MOA (with all the required supporting documents) shall be signed by the company and the UIF.
- 3.7. Upon conclusion of the agreement, the first tranche payment shall be made to the company within 5 days. It is important to note that TERS allowances are payable monthly to each participating employee will not exceed R17, 242.00.
- 3.8. A Monitoring Team shall be sent to the company to ensure that the funds are utilised in line with the signed MOA, and that no breach of MOA has occurred.
- 3.9. The remaining payments shall be made in line with the signed MOA.

4. EXPECTATIONS FROM APPLICANT TO INVOICES

- 4.1. Invoice supported by the following:
 - 4.1.1. Proof of employment and list of employees
 - 4.1.2. Salaries of Directors
 - 4.1.3. Dedicated bank account
 - 4.1.4. Registration with Central Supplier Database (CSD)
 - 4.1.5. Power of Attorney
 - 4.1.6. Turn Around Strategy implementation plan
 - 4.1.7. Report of progress on the implementation plan.

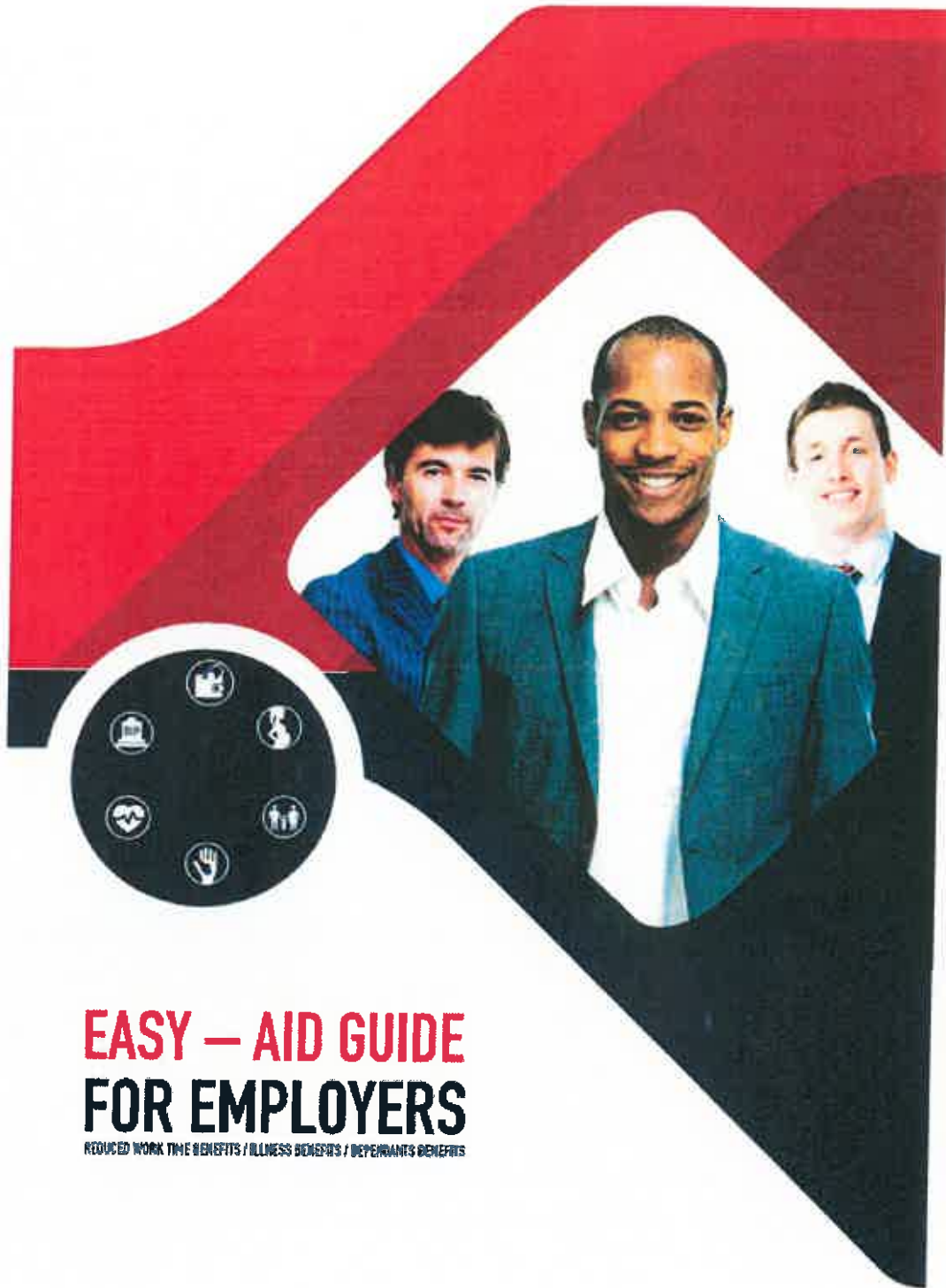
5. FOR ENQUIRIES, FOLLOW UP COMPLAINTS AND ESCALATION

- 5.1. TERS@labour.gov.za
- 5.2. Escalation to Director General – Welile.dlwengu@labour.gov.za



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA



EASY – AID GUIDE FOR EMPLOYERS

REDUCED WORK TIME BENEFITS / ILLNESS BENEFITS / DEPENDANTS BENEFITS

UIF | WORKING FOR YOU

POSTAL ADDRESS: P.O.Box 1851, Pretoria, 0001 PHYSICAL ADDRESS: 230 Lillian Ngoyi, Absa Towers, Pretoria TEL: (012) 337 1580



1. BACKGROUND

- The Unemployment Insurance Commissioner, after consultation with Unemployment Insurance Executive has developed processes to access UI benefits to contribute to the containment of the spread of Corona Virus and its impact.
- The processes was developed in line with the purpose of the Unemployment Insurance Act as stipulated in section 2 of Unemployment Insurance Act , 2001 (Act 63 of 2001) as amended.
- The purpose , as outlined in Section 2 , state as follows: 'to establish an Unemployment Insurance Fund to which employers and employees contribute and from which employees who become unemployed or their beneficiaries , as the case may be , are entitled to benefits and so doing to alleviate the harmful economic and social effects of unemployment.

2. BENEFIT TYPE

- Instances where companies decide to close for a short period as a pre – cautionary measure, the short-term UIF benefits will kick in as stipulated in Section 12(1) b of the Unemployment Insurance Act, as amended.
- Section 12 (1B) covers a contributor employed in any sector who loses his or her income due to reduces working time , despite still being employed , is entitled to benefits.
- Where an contributor has to be self quarantined for 14 days and or in special circumstances more than 14 days , the contributor will be covered under Part C of the Unemployment Insurance Act, as amended (Illness benefits)



3. EASY-AID GUIDE FOR EMPLOYEES TO ACCESS UIF BENEFITS

The processes outlined henceforth serve to provide to employers and employees the procedure to follow when faced with one of the scenario in point 2.

4. SECTION 12(1B): REDUCED WORK TIME

This portion corresponds to cases where companies decide to close for a short period as a precautionary measure.

5. RAPID RESPONSE TEAM: PROVINCIAL BASED

Instances where companies has to close for a short period, the employer is requested to inform the department. The Departmental rapid response team will visit and or contact the companies to provide the necessary assistance with the application and payment of this benefit type. The Departmental rapid response team has been established to provide assistance in cases of retrenchment of more than 50 employees but will also consider less than 50 employees depending on the circumstances at that point in time.

6. PROVINCIAL CONTACT DETAILS (RAPID RESPONSE TEAMS)

PROVINCE	BUSINESS UNIT MANAGER	OFFICE NUMBER
Eastern Cape	Philliswa Madikazi	043 701 3342
Free State	Morgan Ramatsetse	051 505 6362/6200
Gauteng	Dingaan Basimane	011 853 0303
KwaZulu-Natal	Gugu Khomo	031 366 2012
Limpopo	Ronet Landman	015 290 1703
Mpumalanga	Evelyn Mokoena	013 655 8742
Northern Cape	Adv Bulelani Gwabeni	053 838 1554
North West	Selete Qhamakhoane	018 387 8178
Western Cape	Tony Lamati	021 441 8054



7. FORMS AND DOCUMENTS FOR REDUCED WORK TIME (SHORT TERM SHUT DOWN)

- UI 2.1 (application form)
- UI19 and UI2.7 (completed by Employer)
- UI 2.8 (banking details form completed by the bank)
- A letter from the Employer confirming company shutdown or employee's "temporary lay-off" is due to the Corona Virus (Reduced work time)
- Copy of Employee's ID document

8. BENEFIT PAYMENT

In terms of section 13(3) of the Unemployment Insurance Act , as amended the accumulation of credits is at the of 4:1 (every 4 days worked and contributed , 1 days credit is accrued) in a 4 year cycle from the date of unemployment up a maximum of 365 days .

In terms of section 12(1) b of the Unemployment Insurance Act, as amended , the maximum UI benefit will be paid as per the benefit structure if the employer pay R 0.00 amount to the employee during the shut down period

However, if a certain Rand value is paid during the shut down period, then the UI benefit will be reduced (difference between the benefit level and amount received as income)

9. PART C OF THE UNEMPLOYMENT INSURANCE ACT , as amended , ILLNESS BENEFITS

This portion corresponds to cases where companies decides that a contributor has to be self quarantined for 14 days and or in special circumstances more than 14 days , the contributor will be covered under Part C of the Unemployment Insurance Act, as amended (Illness benefits)



10. PROCESS TO FOLLOW

The current Illness application process will apply with the following exception:

- A Confirmation Letter from both the employer and employee must be submitted together with the Illness application as proof that both the employer and employee have agreed to the 14 days 'special leave'.
- The letters will replace the medical certificate on the Illness application form (UI2.2) as the beneficiary would have self – quarantined without prior consultation with a medical practitioner. Benefits will be paid based on these letters.
- Should an employee be quarantined for more than 14 days, a medical certificate from a medical practitioner must be submitted together with the Continuation Form UI3.

11. FORMS AND DOCUMENTS FOR ILLNESS CLAIMS (QUARANTINED FOR 14 DAYS OR MORE THAN 14 DAYS)

- UI2.2 (medical portion to be ignored)
- UI19 and UI2.7 (to be completed by Employer)
- UI 2.8 (banking details completed by the bank)
- Copy of ID document.
- Employer / Employee confirmation (standard letters are attached for completion)



12. ILLNESS BENEFIT PAYMENT

In terms of section 13(3) of the Unemployment Insurance Act, as amended, the accumulation of credits is at the rate of 4:1 (every 4 days worked and contributed, 1 days credit is accrued) in a 4-year cycle from the date of unemployment up a maximum of 365 days.

In terms of section 21(2) of the Unemployment Insurance Act, as amended:

- The maximum UI benefit will be paid as per the benefit structure if the employer pay R 0.00 amount to the employee during the quarantine period.
- However, if a certain Rand value is paid during the quarantine period, then the UI benefit could be reduced (the combined value should not be more than the remuneration the employee would have receive if not on quarantine)

UI3 to be completed at the expiry of the 14 days for payment to be executed into the employee's bank account

If period is beyond 14 days, further UI3 is required with completed medical portion for payment into employee's bank account.

13. APPLICATION PROCESS

A claim for illness as per the stated scenario can be lodged through the

- Online at: www.ufiling.co.za. (Illness benefits)
- Or email or fax the illness application to the nearest UIF processing Centre.
 - Application forms can be downloaded from the Department of Employment and Labour website: www.labour.gov.za



14. EMAIL / FAX TO EMAIL NUMBER

Mailbox	Fax to email Number
Germiston.BCP@labour.gov.za	0864397295
Petermari.BCP@labour.gov.za	0864397296
EastLondon.BCP@labour.gov.za	0864397299
Capet.BCP@labour.gov.za	0864397300
George.BCP@labour.gov.za	0864397301
NorthWest.BCP@labour.gov.za	0864397302
Limpopo.BCP@labour.gov.za	0864397303
Mpumalanga.BCP@labour.gov.za	0864397304
Freestate.BCP@labour.gov.za	0864397305
Online.BCP@labour.gov.za	0864397306
Durban.BCP@labour.gov.za	0864397297
Portelizabeth.BCP@labour.gov.za	0864397298
NorthernCape.BCP@labour.gov.za	0864397309
Johannesburg.BCP@labour.gov.za	0864397294
Pretoria.BCP@labour.gov.za	0864397290



15. DEATH BENEFIT

This portion corresponds to cases where the contributor passes on due to corona virus in terms of Part F of the Unemployment Insurance Act, as amended.

Benefits are paid to the beneficiaries of the deceased.

Beneficiaries eligible to apply for deceased benefit are the surviving Spouse, Life Partner, Children of the deceased or the nominated persons, in that order.

16. PROCESS TO FOLLOW

The current deceased application process and practice will remain as is for now, until indicated otherwise.

17. FORMS AND DOCUMENTS NEEDED FOR A DECEASED CLAIMS ARE

- UI19 and UI 53 (completed by the Employer)
- UI 2.5 or UI2.6 (deceased application)
- Death Certificate
- Copy of ID of deceased and applicant
- UI 2.8 (banking details completed by the bank)

18. DECEASED BENEFIT PAYMENT

In terms of section 13(3) of the Unemployment Insurance Act , as amended , the accumulation of credits is at the rate of 4:1 (every 4 days worked and contributed , 1 days credit is accrued) in a 4 year cycle from the date of unemployment up a maximum of 365 days .

Benefits are paid as per prescribed benefits structure in terms of 12 (3) b of the Unemployment Insurance Act.



19. APPLICATION PROCESS

A claim for deceased benefits can be lodged by

- Emailing or faxing the deceased application to the nearest UIF processing Centre.
 - Application forms can be downloaded from the Department of Employment and Labour website: www.labour.gov.za
- The email and fax numbers are as stated in point 14

20. CONCLUDING POINTS

Employers will be updated on any changes to the stated processes via the Del web page.

