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.