

3rd of April 2020

Dear employers and members,

Application process for the COVID19TERS UIF Relief and National Disaster Benefit

I hope this communicate finds you and your family well during these extremely trying times.

We find ourselves in a state of forced lockdown, working from home, worried about our health, finances, businesses, employees and what to expect if, and when, the lockdown is lifted. We still hope that this will be at midnight on the 16th of April.

The government has recognized the urgent need to come to the aid of employers and employees and provided emergency assistance in this regard.

We have had a number of queries on the process that employers must follow to access the financial relief offered. The information and guidelines provided by the Department of Labour (DoL) (U.I.F) have been vague and generally confusing. After scrutinizing the various haphazard (and in some case, cryptic) documents disseminated by the DoL, we have reached consensus that two main processes provide for employer/employee relief.

These two processes are:

1. COVID19TERS – UIF relief

And

2. National Disaster Benefit (NDB)

They differ in respect to their purposes, application processes and benefits to employees.

Which should an employer apply for?

COVID19TERS is applied for when a business is in financial distress as a direct result of the COVID19 virus and will be closed for up to 3 months.

The NDB is applied for when a business is forced to close due to the shutdown for a maximum period of up to three months, i.e a forced short term closure.

What is the main difference between the two?

	COVID19TERS	NDB
Must a separate bank account be opened?	Yes – This so that U.I.F can pay a lump sum to the employer to distribute to employees. NB – this	No – employees are paid directly by U.I.F into their personal bank accounts.

	money cannot be used for any other expenses.	
What documents are needed for the application Process?	<p>The employer must provide the following documents to UIF email: covid19claims@labour.gov.za:</p> <ul style="list-style-type: none"> • Letter of authority on company letterhead granting permission to an individual* to claim o.b.o company. *Accountant, HR Dir, C.F.O, etc. • Memorandum of Agreement between employer and UIF or employer and Bargaining Council (if the employer is a member of a BC). • Prescribed excel spreadsheet of employee information in csv format. • Last three months proof of payroll. • Bank statement confirming bank details of the <u>separate bank account</u> opened for this purpose. 	<p>The employer must provide the following documents to UIF online: www.ufiling.co.za</p> <ul style="list-style-type: none"> • UI19 (completed by employer); • UI2.7 (completed by employer) • UI2.8 (employee banking completed by employee and his/her bank). • Letter on company letterhead confirming the temporary lay-off is due to COVID-19; • Copy of employee's identity document.
What relief or benefit is paid?	<p>The relief or benefit paid will be based on the formula:</p> <p>Salary* X (38%-60%).</p> <p>* Maximum salary used in formula is R17712. The % applied is based on a sliding scale.</p> <p>Example:</p> <p>Employee salary = R20 000. Calculation based on UIF formula is:</p> <p>$R17712 \times 38\% = R6730,56$</p> <p><i>The minimum benefit is R3500.</i></p>	<p>The maximum benefit is R3500 per month.</p> <p>This amount is offset against any wages the employer is able to pay its employees.</p> <p>For example, an employer may be able to pay 50% of the employee's salary during the temporary closure. The UIF benefit will be adjusted accordingly.</p>
Guideline link	COVID19TERS Guideline	UIF filing guideline

Useful documents	Memorandum of understanding M.O.A. Excel spreadsheet Excel spreadsheet - employees details <i>NB this doc must be saved as a “.csv delimited” file before being sent to UIF.</i> Letter of authorisation Authorisation letter	UI19 UI19 form UI2.7 UI2.7 form UI2.8 UI2.8 form Letter confirming temporary closure due to COVID19 Letter from employer to UIF for NDB
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We hope that this is of assistance to.

Rest assured that the GEO will continue to avail itself to provide legal advice and practical assistance to all members. You are welcome to contact any of our officials for advice during this lockdown period. We are available telephonically, via email and WhatsApp.

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Help line 0795823633

Best regards

Andre Rabe

Chairman.