

FREQUENTLY ASKED QUESTIONS

- **MUST A BUSINESS BE IN COMPLETE SHUTDOWN IN ORDER TO CLAIM?**

No, although the original Memorandum of Agreement received from the UIF indicated that this should be the case, the final document makes provision for a partial closure or a reduction of an employee's income due to COVID-19 lockdown.

- **CAN YOU APPLY FOR TEMPORARY WORKERS LAID-OFF DURING LOCKDOWN?**

Yes, as long as the reason for them not working is as a result of the lockdown.

- **CAN NON-SOUTH AFRICANS RECEIVE UIF BENEFITS?**

Yes, provided that they have a work permit and are registered with the UIF.

- **ARE BENEFITS ONLY AVAILABLE TO EMPLOYEES RECEIVING NO PAYMENT?**

No, employees whose income is reduced may also claim.

- **CAN EMPLOYERS ASK EMPLOYEES TO TAKE ANNUAL LEAVE?**

Yes, employees who have annual leave available may be requested to utilise their leave during this period, however, if there is an existing leave agreement in the workplace, the agreement will have to be amended, which would require their consent.

- **IS THERE A BENEFITS CALCULATION GUIDELINE?**

No, at this stage the benefit will be calculated on a sliding scale between 38% (for high earners) and 60% (for lower earners), calculated on the maximum salary cap of R17 712.00 per employee, per month.

- **ARE THE BENEFITS TAXABLE?**

No, the full amount received by the employer from the UIF must be paid to the employee.

- **WHO CAN MAKE AN APPLICATION ON BEHALF OF THE COMPANY?**

Any person who has been authorised to do so in writing by the CEO and CFO or equivalent functionaries.

- **WHEN WILL PAYMENTS BE MADE?**

The communication from the Department of Employment and Labour indicates that payments will only be made after the lockdown period.

- **SHOULD AN EMPLOYER OPEN A SEPARATE BANK ACCOUNT?**

The employer does not need to open a separate bank account but can use his normal payroll or business account.

- **SHOULD EMPLOYERS WITH 10 OR LESS EMPLOYEES SIGN A MOA?**

According to the latest auto response from Department of Employment and Labour employers with 10 or less employees do not sign the MOA as the UIF will pay the employees directly. However, employers with 10 or less employees are advised to follow the instructions received on their particular auto response as this requirement is constantly changing.

- **WHAT IF AN EMPLOYER HAS ADVANCED PAYMENT TO EMPLOYEES?**

Employers who have paid or advanced payment to employees, may claim to recoup the payments against the funds received from the UIF. This advance should be indicated separately as “TERS-benefit” on the payslip and should not be taxed.

- **IS AN INVOICE REQUIRED FROM EMPLOYER TO UIF?**

No, this requirement seems to have been removed.

- **WHICH EMPLOYEES CAN BE CLAIMED FOR?**

Any employee who was in employment on 27 March 2020 and who has suffered financial prejudice as a result of the lockdown.

It is advised that new employees who were supposed to start work, during lockdown, should be included in the claim and an explanation may be required that such employees were already contracted to commence employment, prior to the lockdown being implemented.

- **HOW SHOULD EMPLOYERS REGISTER WITH A BARGAINING COUNCIL CLAIM?**

Employers who resort under a Bargaining Council, should confirm with such Bargaining Council whether an agreement has been concluded between the council and UIF. If an agreement has been concluded, the relevant Bargaining Council processes must be followed to claim. If no agreement has been concluded or if one is still pending, the employer can claim directly from UIF.

- **WHAT IS INCLUDED IN REMUNERATION FOR PURPOSES OF TERS?**

The amount an employee would normally earn and pay UIF on.

- **WHAT IF EMPLOYEES HAVE TAKEN LEAVE AND THEIR EMPLOYER WANTS TO CLAIM FROM TERS?**

The employer should not declare the value of leave on the TERS application as 'payment made'. Once benefit has been received from UIF, it should be paid over to employees and leave credits equal to the value of the funds received should be applied. Employees can be given the option if they want to top-up the benefit to their normal salary by utilising leave.

- **SHOULD EMPLOYERS WHO HAVE ALREADY SUBMITTED RESUBMIT?**

No, if UIF requires different or additional documents or information, they will inform the employer accordingly.

- **WHAT IF EMPLOYEES DO NOT HAVE BANK ACCOUNTS?**

Employers should leave this information blank and deal with it as and when a query arises. Proof of payment should still be provided if payment to an employee is made in cash.

- **CAN INDIVIDUALS CLAIM TERS BENEFITS?**

No, if an employer did not claim, the employee should approach the employer to claim. If such an employer still does not claim, the employees can claim normal UIF benefits for short-time or unemployment.