



## 1. BACKGROUND



The National Disaster Regulation 10 section 8 empowers the Minister that he may issue and vary directions, as required, within his mandate, to address, prevent and combat the spread of COVID-19, from time to time, as may require, including:

- a. Disseminating information required for dealing with the national state of disaster,
- b. Implementing emergency procurement procedures,
- c. Taking any other steps that may be necessary to prevent an escalation of the national state of disaster, or to alleviate, contain and minimize the effects of the national state of disaster, or
- d. Taking steps to facilitate international assistance.

In line with the above regulation the Minister of Employment and Labour has announced measures that the Department will put in place as required under the current special circumstance relating to the Corona virus (COVID-19) and its impact on UIF contributors.

The Unemployment Insurance Fund will compensate affected workers through a new "National Disaster Benefit" and other existing benefits including Illness, Reduced Work Time, Temporary Employer/Employee Relief Scheme (TERS) and Unemployment benefits.

Below is a breakdown of each benefit type and how the beneficiaries can access it.

## 2. NATIONAL DISASTER BENEFIT :

The employer may decide, as a direct result from the current Corona virus (COVID-19) pandemic to close their business for a particular period and send employees home. This constitutes a temporary lay-off. If the employer cannot pay his employees for this period, the employer can apply for the "National Disaster Benefit" from the UIF.

This benefit will be de-linked from the UIF's normal benefit structure. The credit accumulation rule which is that for every 4 days worked the employee accumulated 1 credit a day and maximum credit days payable is 365 for every 4 years completed will not apply all the time.

The benefit will be calculated based on the credits and salary as per normal process. If the amount is lower than the minimum wage the beneficiary will be paid a minimum wage for the three months of shut down, otherwise the beneficiary will be paid what they would have received had they applied for the UIF Ordinary benefit. In order to ensure a balanced coverage during the time of shutdown and also to make sure that the most vulnerable are not compromised the following approach will be followed:

- The normal credit based scoring linked to average salary will be used. For example if the calculation gives a benefit value less than the minimum wage the beneficiaries will be paid the sector specific minimum wage for example: calculation results in R2400



per month or R600 per week. The beneficiary will be lifted to minimum wage to R3500 per month or R875 per week.

- On the other hand, the normal scoring will produce a benefit payment above the minimum wage then the benefit will be kept at the calculated amount. For example if the calculation gives a value of R4500 per month or R1 125 then UIF will pay the calculated amount.

If an employee is ill, temporary lay-off or unemployed for longer than three months, the normal UIF benefits as explained below will apply.

### 3. Questions and Answers

#### Question:

We all want to know more about how the UIF is going to be deployed to assist companies in distress.



**Answer:**

Thanks for the question. UIF will be deployed in four key areas namely:

*1. Disaster Benefit as explained above*

This benefit will provide relief to both the employer and the employee in that UIF will pay a Disaster Benefit to the beneficiary, which will be no less than the sector minimum wage. This will enable the employee to survive during the lockdown period and relieve the employer the burden of paying salaries for the employees who are not productive.

*2. Illness Benefit*

*The illness benefit will kick in when the employee is declared COVID 19 positive and needs to stay home for extended time and the employer cannot afford to pay the sick leave. Once again, this benefit will provide relief for the employer in terms of salary to be paid during the absence from work and the employee will enjoy a time of recovery at home without worrying about the employer not paying for their sick leave.*

*3. Death Benefit*

*In the unfortunate event that the employees dies as a result of COVID 19 while still in employment; the employee qualifies for the death benefit, which can be accessed by family members. This benefit will enable the family to bury their loved one with dignity and lessen the burden on the employer.*

*4. Temporary Employer Employee Relief Scheme*

Employers may apply for TERS where they are both financially and operationally in distress. It's important that employers have a turnaround plan that shows within a specific time frame they will turn the corner and also that they will not retrench workers. In this intervention, employers will be assisted with a wage subsidy for a period up to 12 months during which a turnaround is expected.

**Question:**

How will it assist workers who are losing wages for 21 days?

**Answer**

*Disaster Benefit as explained above*

This benefit will provide relief to both the employer and the employee in that UIF will pay a Disaster Benefit to the beneficiary, which will be no less than the sector minimum wage. This



will enable the employee to survive during the lockdown period and relieve the employer the burden of paying salaries for the employees who are not productive.

### Question

*What about workers in the informal economy who are not registered with UIF, will they be assisted?*

### Answer

UIF is for contributing employers and employees; however where the employees can show that they have been employed and UIF deducted but the employers has not paid, the employer will be dealt with on a case by case. As a principle the employees should not be compromised because of the delinquent employer, the employer will be dealt with through inspection to enable UIF to process the employee claim.

### Question

Can UIF afford this?

### Answer

UIF annual commissions an actuarial evaluation, which determine the extent of the liquidity of the fund, and also advice of the available cash should UIF face an extreme case where all the contributors claim. This study has enable UIF to put aside a technical reserve to pay the benefit when they are due.

UIF has further commission an addition actuarial study to determine the impact of a lockdown and further tested the affordability should UIF have to pay benefits under extraordinary



conditions and once again the actuaries presented a positive picture. The actuaries has warned the UIF leadership to be careful on how the institution contribute in the disaster without having to be insolvent.

#### 4. REQUIRED FORMS AND DOCUMENTS :

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

#### 5. IT SHOULD BE NOTED THAT:

- This benefit will be at a flat rate not less than the minimum wage (R3 500) per whichever period is the shortest.
- An employer or employee cannot apply for the "National Disaster Benefit" and any other UIF benefit simultaneously.





## 6. REDUCED WORK TIME :

- Where a Company shuts down for a certain period or implements Reduced or Short Time.
- Benefits payable is the difference between what employer pays and normal UIF benefits payable should an employee lose employment.

## 7. REQUIRED FORMS AND DOCUMENTS:

- UI19 and UI2.7 (completed by Employer)
- UI 2.1 ( application)
- UI 2.8 (bank form completed by the bank)
- A letter from the Employer confirming Reduced Work Time is due to the Corona Virus
- Copy of ID document.

## 8. IT SHOULD BE NOTED THAT:

- For every 4 days worked the employee accumulates 1 credit a day, and maximum credits days payable is 365 for every four completed years.
- Benefits are paid as per prescribed benefits structure from 239 to 365 days.

## 9. ILLNESS BENEFITS :

- Where an employee has been quarantined for 14 days, Illness Benefit process will apply.
- A Confirmation Letter from both the employer and employee must be submitted together with the application as proof that both the employer and employee have agreed to the 14 days 'special leave'.
- In this instance, the letters will stand in place of the medical certificate 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.

#### 10. THE APPLICABLE FORMS ARE :

- UI19 and UI2.7 (completed by Employer)
- UI2.2 (a portion of which is completed by the Doctor)
- UI 2.8 (bank form completed by the bank)
- Copy of ID document.

#### 11. IT SHOULD BE NOTED THAT :

- For every 4 days worked the employee accumulates 1 credit a day, and maximum credits days payable is 365 for every four completed years.
- Benefits are paid as per prescribed benefits structure from 239 to 365 days.

#### 12. DEATH BENEFIT :

**In the undesirable event where a contributor passes on, the following will apply:**

- Benefits are paid to the beneficiaries of the deceased. People eligible to apply are a Spouse, Life Partner, Children and nominated persons, in that order.

#### 13. THE APPLICABLE FORMS AND REQUIRED DOCUMENTS ARE :

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

#### 14. IT SHOULD BE NOTED THAT :





- For every 4 days worked you accumulate 1 credit day and maximum credits days payable is 365 for every four completed years.
- Benefits are paid as per prescribed benefits structure from 239 to 365 days.

## 15. HOW TO APPLY FOR THESE BENEFITS :

14.1 Employers must complete the UI 19 Form stating the last date of termination and the reason thereof.

14.2 The forms can be submitted through the following methods:

- Online at: [www.ufiling.co.za](http://www.ufiling.co.za). (Illness benefits)
- Email the application to the nearest UIF processing Centre. (Illness/ Reduced Work Time/Death benefits)

14.3 Fax the application to the nearest UIF processing Centre. (Illness/ Reduced Work Time/Death benefits)

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

**14.4 Application forms can be downloaded from the Department of Employment and Labour website: [www.labour.gov.za](http://www.labour.gov.za).**

## **16. RAPID RESPONSE TEAMS :**

The Rapid Response Teams have been established to assist companies with processing of claims in cases where they have retrenchments of more than 50 employees. The teams will be deployed to employer premises in each province.

**Below is a list of officials to be contacted to make arrangements**

PROVINCE	BUSINESS UNIT MANAGER	OFFICE NUMBER
Eastern Cape	Philiswa Madikazi	043 701 3342
Free State	Morgan Ramatsetse	051 505 6362/6200
Gauteng	Dingaane 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