



COVID19 - UIF Claims

Easy guide
(2020/04/07)

Dear Client

Amid the chaos surrounding the COVID-19 Pandemic, the business sector is particularly hard hit and in many instances unable to operate at full capacity. We are now in a situation where an increasing number of employees had to self-isolate and where, since today, Friday 27 March 2020, the country is in lockdown. This has created a situation where employers and employees need to carefully consider all options open to them to stay afloat. One of the avenues open to employers and employees, if applicable, is to apply for UIF benefits.

What is the UIF

The Unemployment Insurance Fund (UIF) gives short-term relief to workers when they become unemployed or are unable to work because of short-time, lay-offs, maternity, adoption leave, or illness. It also provides relief to the dependants of a deceased contributor. When an employer terminates, or reduces, an employees' service requirements, the employee can apply to the Unemployment Insurance Fund (UIF) for benefits. The benefits are only available to an employee if they had been contributing to the UIF while they worked. One cannot claim if they had resigned, been suspended or absconded from work.

Existing UIF Benefits and the COVID-19 Pandemic

The Unemployment Insurance Fund will be compensating workers through its existing Illness and Reduced Work Time benefits in situations where companies need to make use of short time or temporary shutdowns, and where employees need to self-quarantine due to possible exposure to the virus or confirmed infection.

Reduced Work Time

Reduced work time benefits apply when the company shuts down for a certain period or implements Reduced or Short Time. The benefit payable under these circumstances is the difference between what the employer pays and normal UIF benefits payable should an employee lose employment.

To claim Reduced Work Time benefits, the employee needs to provide the UIF with the following forms;

Summary of Forms to be submitted:

Dept. of Labour Forms to Complete	Who must Complete
UI2.1	Employee
UI2.8	Employee and employee's Bank
UI19	Employer
UI2.7	Employer
DoL Work Schedule	Employer
Letter from the employer confirming the shut-down or temporary lay-off is due to Corona	Employer
Copy of Employee's ID	

Illness Benefits

Illness benefits apply when an employee has been quarantined for 14 days due to the COVID-19 Pandemic. The employee must submit a confirmation letter from both the employer and the employee as proof that both parties agree to the 14 days 'special leave'. This is submitted with the normal application and takes the place of a medical certificate where the employee self-quarantines without first consulting a medical practitioner. Benefits are payable by UIF based on these letters. [Where the quarantine will last more than 14 days, a medical certificate from a medical practitioner must be submitted together with the Continuation Form UI13.](#) Documents to be submitted in terms of these claims are as follows;

Summary of forms to be submitted:

Dept. of Labour Forms to Complete	Who must Complete
UI2.2	Employee (and authorized medical practitioner only if the quarantine lasts longer than 14 days)
UI2.8	Employee and employee's Bank
UI19	Employer
UI2.7	Employer
UI3 – only if quarantine lasts longer than 14 days	Employee and authorized medical practitioner
Medical certificate UI3 – only if quarantine lasts longer than 14 days	Authorized medical practitioner
DoL Work Schedule	Employer
Confirmation letter from employer and employee as proof that both parties agree to the 14 days special leave.	
Copy of Employee's ID	

Claim amount

An employee accrues UIF credit days at 1 credit day for every 4 days worked, up to a maximum of 365 days for every four completed years. The rate paid by the UIF is determined by a scale of benefits, which ranges between 38 and 60% of the employee's salary for the first 238 credit days and a flat rate of 20% from 239 to 365 days.

You can calculate the payable benefit using the UIF calculator on <http://ezuif.co.za/uif-calculator/>.

How to Apply

The prescribed documents can be submitted to the UIF by the employee using the following methods:

- Online at: www.uifiling.co.za (for application relating to Illness benefits)
- Email the application to the nearest UIF processing Centre (for Illness/Reduced Work Time benefits)
- Fax the application to the nearest UIF processing Centre (for Illness/Reduced Work Time 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

Application forms can be downloaded from the Department of Employment and Labour website: www.labour.gov.za

[Attached, please find the Application Forms – we have downloaded them for your ease of access.](#)

Rapid Response Teams have been established to assist companies with more than 50 employees to process claims. It is indicated by Government that these teams will be deployed to the employer premises in each province. The officials to be contacted to arrange for such sessions are as follows:

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

Special UIF Benefits and the COVID-19 Pandemic

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 its existing the Illness, Reduced Work Time and Unemployment benefits. This new “National Disaster Benefit” and any other normal UIF benefit is only applicable to employers who are registered with UIF and make monthly contributions as required by the Contributions Act of 2002.

The employer may decide, as a direct result from the current Corona virus (COVID-19) pandemic to close their business for a 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.

- "Temporary lay-off" means a reduction in work following the temporary closure of business operations, whether total or partial, due to COVID19 pandemic for the period of the National Disaster. It means that companies that have partially or completely closed down due to the pandemic are able to apply for the COVID19 TERS benefits should the Company be in financial distress.
- This benefit will be de-linked from the UIF's normal benefit structure and therefore the normal rule that for every 4 days worked the employee accumulated 1 credit day and maximum credit days payable is 365 for every 4 completed years will not apply.
- The amounts paid will be a percentage of an employee's salary, according to a legislated sliding scale from 38% (highest earners) to 60% (lowest earners).
- The salary to be taken into account in calculating the benefits will be capped at 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. The salary is capped at R17 712.00 and not the benefit. Meaning the benefit will be calculated as a percentage of a capped salary of R17 712.00.

- Should an employee's income determined in terms of the income replacement sliding scale fall below R3500.00, the employee will be paid a replacement income equal to that amount. Qualifying employees will receive a benefit calculated in terms of Sections 12 and 13 (1) and (2) of the UI Act, provided that an employee shall receive a benefit of no less than R3500.00.
- An employee may only receive COVID19 benefits in terms of the Directive if the total of the benefit together with any additional payment by the employer in any period is not more than the remuneration that the employee would ordinarily have received for working during that period. It means provision is made for the employer to make an additional payment (top-up) to the employees' COVID19 TERS benefit as long as the benefit and the additional payment does not exceed the employee's normal salary.
- Pay-Out periods indicated by the UIF is claimed to be as low as 10 Working Days to one month, but a backlog is being created and it may become 2-months or longer.
- The UIF Office confirmed that everyone registered at the UIF Fund qualifies for a UIF Claim, however we cannot make any promises about pay-outs.
- If an employee is ill, temporary lay-off or unemployed for longer than three months, the normal UIF benefits as explained below will apply.

NOTE: It appears that some employers are looking at applying for TERS Benefits, when in fact their organisations are not going to be closed completely. Employers are advised to tread very carefully here, as the DOL may well require the reimbursement (from Employers) of monies for claims not in compliance with the rules.

Required Forms and Documents for National Disaster benefit:

- UI19 and UI2.7 (completed by Employer)
- UI 2.1 (application form)
- UI 2.8 (bank 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
- Copy of employee's ID document

Application Process for Covid-19 TERS:

Step 1: Employers shall apply by reporting their closure of business via email to covid19ters@labour.gov.za An automated response will be received outlining the procedure and required documentation, namely:

- Letter of Authority, on an official company letterhead granting permission to an individual specified to lodge a claim on behalf of the company
- MOA (completion of the agreement between UIF, Bargaining Council (If applicable) and Employer) – does not have to be a signed hard copy, but can be done electronically
- Prescribed template that will require critical information from the employer
- Evidence/payroll as proof of last three months employee(s) salary(ies)
- Confirmation of bank account details in the form of certified latest bank statement
- All documents submitted will be subject to verification

Step 2: Submission Process

Submit/transmit all documents as required in Step 1 to UIF via dedicated mailbox: Covid19UIFclaims@labour.gov.za

NB: If the spreadsheet is complete; valid and accurate, it will be dumped into an automated calculator to produce the benefit amount due to the beneficiaries and the total amount to be transferred to the employer or bargaining council or whichever method agreed.

Step 3: Conclusion of the MOA between parties

Payment will only be effected after MOA sign off between the Fund and the Employer/Bargaining Council (if applicable).

Enquiries

The UIF will provide a dedicated line that will assist all employers / employees / Bargaining Councils on COVID19TERS. The contact number is 012 337 1997.

Please Note: An employer or employee cannot apply for the “National Disaster Benefit” and any other UIF benefit simultaneously.

Frequently Asked Questions/Information during the Lockdown:

Short-time, Lay-offs and Pay-cuts:

Please remember that, in the absence of such conditions written into your contracts of employment, you still have to consult with your employees (as per the law) in order to restructure their Conditions of Employment. You cannot change this unilaterally. It has to be by agreement. You may not be at this point yet and hopefully you never get there, but please follow proper process before any short-time, lay-offs, pay-cuts or retrenchments

Employees Working from Home:

If possible, allow your staff to work from home, but make sure that you provide clear guidelines to them on what you require, how you are going to look at time spent on the job, managing of performance and so forth. Start thinking about and implementing policies on IT. Provide them with resources such as wifi, laptop, telephone lines and so forth to be able to do their jobs. If that are able to do a 100% job from home, you'd have to pay them at 100% of normal salary. If they can only do 50% from home, you may want to put them on short-time.

No Work – No Pay:

We are in a unique situation wrt the Employment Contract, because of President Ramaphosa's Executive Order. Employees want to provide their services and the Company wants their services, but because of a Supervening Impossibility neither party can do so. In this situation, there is no obligation on the side of the Employer to Pay the employee if no work is performed. Additionally, contrary to what is being rumoured, Employers can insist on employees taking their annual leave during the period of the lockdown.

Employee Misconduct during Lockdown:

It has to be noted that an employee could breach company rules and regulations during lockdown and therefore be liable for possible disciplinary action – if found guilty of an offence. Thus, both actions wrt Discipline and Performance Management can continue during lockdown.

For more information on the above topic, please contact ACS Empowerment Solutions at 082 4618638 mel@acsaccounting.co.za (Melanie Sutton), 0832473737 craig@acsempower.co.za (Craig Pannell)

If you are not yet an ACS Empowerment Solutions client, but would like to know more about our service and products?

Email us: natassja@acsempower.co.za

The forms listed above are downloadable from our website www.acs360.co.za, or you can access them directly from www.labour.gov.za

Disclaimer:

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