

DIRECTION BY 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)

I, Thembelani Thulas Nxesi, the Minister of Employment and Labour, acting 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), have determined that it is necessary to implement steps in respect of the administration of the Unemployment Insurance Act, 2001 (Act No. 63 of 2001) to prevent an escalation of the national state of disaster and to alleviate, contain and minimise the effects of the national state of disaster.

DIRECTIONS

1. The Covid 19 Temporary Employee/Employer Relief Scheme (C19 TERS) is hereby established.
2. The purpose of the C19 TERS is to provide for the immediate payment of benefits to employees who suffer a loss of income due to the closure of their employer's business as a result of the national lockdown.
3. The C19 TERS will cover loss of income due to the closure or down scaling of businesses as a result of the Covid 19 pandemic during the period of the National Disaster.
4. Qualifying employees will receive a benefit calculated in terms of sections 12 and 13 of the Act, provided that an employee shall receive a benefit of no less than R3500 per month.

5. For the purpose of calculating benefits, it is recorded that –
 - 5.1. benefits will be calculated in accordance with the Income Replacement Rate provided for in schedules 1 and 2 to the Act;
 - 5.2. the maximum earnings that shall be taken into account in calculating benefits is R 17 712 per month;
 - 5.3. the minimum benefit that an employee shall receive a benefit shall receive is R3500 per month.

6. The following modes of payment of benefits to employees will be permitted –
 - 6.1. an employer that has the financial ability to make payments to employees shall pay approved benefits to employees and be reimbursed by the Fund on submission of an invoice;
 - 6.2. an employer that does not have the financial resources to make benefit payments to employees will receive a payment in respect of approved benefit payments electronically from the Fund
 - 6.3. in respect of sectors having a registered Bargaining Council, which has concluded an Agreement with the Fund, the fund will make payments to the Bargaining Council for the purpose of subsequent disbursement to employers for payment to employees;
 - 6.4. the Fund may approve the payment of benefits to employees by a banking institution, provided that the employer has provided the relevant banking details of employees to the bank.

7. A claim shall be initiated by an employer notifying the Fund that it has shut-down or down-sized its operation through a dedicated mail-box (Covidters@labour.gov.za). An approved bargaining council shall establish a notification procedure for its sector.

8. An employer that has notified the Fund will receive an automatic response outlining the procedure and documents, the documents and information that is required by the Fund to process payments.

9. The Fund is not liable to reimburse any payment that is made prior to approval by the Fund.

10. Any misappropriation of funds or misrepresentation shall be dealt within terms of sections 60 to 65 of the Act.