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MEDIA RELEASE

DEL DIRECTIVE REVISES TER UIF PROVISIONS

Johannesburg, 17 April 2020: The Minister of Employment and Labour yesterday signed a set of amendments to the directive governing the Temporary Employee/Employer Relief Scheme (TERS) of the Unemployment Insurance Fund following further engagements at Nedlac. The amendments are designed to bring further clarity to the details of the scheme's structure approved by the Minister last week.

The revised directive clarifies that an employer may claim benefits in respect of employees who have taken annual leave during this period; and that the employer may retain these amounts, provided that it credits the employee with leave days proportionate to the value of the benefit in the future.

This means that it is not the case, as some legal opinions held, that there is a need to reinstate leave and putting employees on unpaid leave in order to claim.

B4SA welcomes this further clarification.

The directive also urges employers to pay employees the equivalent of their TERS benefits in advance should these not have been received by the employer on their payment date, and retain those amounts when the payment is received.

The department has assured B4SA that the basis for calculating employees' due benefits will be published on the UIF website soon.

One additional matter is that we understand that at some point the UIF was saying that a separate bank account would be needed to receive the TERS monies. This is no longer going to be required. Businesses will be able to use their existing bank accounts for this purpose.

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