



Reg. No 2013/092993/21

## **NATION-WIDE LOCKDOWN - COVID-19 GUIDELINES FOR EMPLOYERS**

President Ramaphosa in his address to the nation last night enacted a nation-wide lockdown in terms of the Disaster Management Act from midnight on **Thursday 26 March until midnight on Thursday 16 April for all South Africans to stay home**, certain categories of persons are exempted such as health workers, emergency personnel, security and other persons necessary for the response to the Covid-19 pandemic. A full list of essential personnel will be published.

All shops and business will be closed except for pharmacies, laboratories, banks, essential financial and payment services, including the JSE, supermarkets, petrol stations and health care providers and companies essential to the production and transportation of local goods and medical supplies. For a full list of the categories of businesses that should remain open click [here](#).

Businesses who can continue their operations remotely should do so.

The President highlighted the measures being taken to mitigate the economic impact of both Covid19 and the economic response by introducing quick and targeted interventions aimed at supporting the **vulnerable** (the Solidarity Fund), **supporting people whose livelihoods will be affected** (Temporary Employee Relief Scheme, Compensation Fund) and assisting **businesses that may be in distress** (tax subsidy, SARS interventions for small and medium enterprises, department of small business development assistance for small and medium enterprises in distress through a simplified application process (click [here](#)), IDC and Department of Trade and Industry and Competition 3 billion industrial funding and the Department of Tourism R200 million to assist SME's in the tourism and hospitality sector under stress due to new travel restrictions.

Government has already introduced measures available to employers in an effort to preserve jobs by introducing the special Covid-19 UIF benefit and has issued a Guide for Employers.

These benefits will only be applicable to employers who are registered with the Unemployment Insurance Fund (“the UIF”) and make monthly contributions as required by the Unemployment Insurance Contributions Act 4 of 2002.

**1. Complete business shut down**

Where a business is forced to close its doors and temporarily lay-off its employees, the **employer** can apply for the National Disaster Benefit from the UIF.

This benefit will be equal to the minimum wage of R3500.00 per employee for the period of shutdown or a maximum period of three months, whichever period is the shortest.

In making an application, employers require a letter confirming that the company intends to shut down and temporarily lay-off its employees, which must be submitted along with copies of the employee’s identity documents. Employers should note however that this benefit cannot be applied for together with any other UIF benefit.

**2. Reduced work time**

In the event that a company does not completely shut down its doors but instead implements a reduced time for its employees, the benefit payable in this instance is the difference between what the employer pays and the normal UIF benefits payable should an employee’s contract of employment terminate given the current circumstances.

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

**3. Illness benefits**

If an employee is quarantined for the requisite 14 days, the Illness Benefit process will apply. A letter must be submitted by both the employer and employee as proof that both parties have agreed to the 14 days special leave. This letter serves to replace a medical certificate, as an employee/ beneficiary would have self-quarantined prior to a consultation with a medical practitioner.

However, should the period in which an employee is quarantined go beyond the 14 days', an employee will have to obtain a medical certificate which is to be submitted together with their U13 Contribution Form.

These benefits are paid as per the prescribed benefit structure from 239 to 365 days. For every 4 days worked the employee accumulates 1 credit day and maximum credit days payable are 365 for every 4 completed years.

#### **4. Death benefits**

In the event of the death of a contributor, benefits are paid to the following people who are eligible to apply as beneficiaries: -

- 4.1. Spouse;
- 4.2. Life partner;
- 4.3. Children; and
- 4.4. Any nominated person.

These benefits are paid as per the prescribed benefits structure from 239 to 365 days. For every 4 days worked 1 credit day is accumulated and maximum credit days payable are 365 for every 4 completed years.

#### **5. Application process**

Application forms can be downloaded from the Department of Employment and Labour website: [www.labour.gov.za](http://www.labour.gov.za). The Guide sets out which form must be completed for the required categories. We have attached a copy for your ease of reference.

Employers are encouraged to obtain and submit the required forms either online at [www.ufiling.co.za](http://www.ufiling.co.za) or email the application to the nearest UIF processing Centre.

#### **6. General**

Larger businesses are called upon to take care of their workers during this this period. Where employees can work remotely, this could be on a full- or short-time basis.

Where employees are unable to work, employers may consider requesting employees to take compulsory annual leave due to its operations not continuing during this period. Employees must understand that we are all in this together and that this is temporary. Businesses will no doubt have to catch up due to the adverse economic impact Covid-

19 will have, and it may suit business recovery to refuse annual leave post the crisis due to operational requirements.

Some businesses will be severely impacted by Covid-19, e.g. travel and hospitality. The measures enacted are there to assist and to prevent retrenchments and employers must seek alternatives to retrenchment, e.g. short time, temporary layoffs without pay. As employers you must engage with your employees urgently, be pro-active, reduce the stress and explain what the business can and cannot do and the relief available. Seek agreement from your employees, where necessary if their contracts of employment do not provide for short-time or lay-offs as retrenchment should and must be a last resort.

As and when things change (which they no doubt will), and more details are provided over the next few days, we will keep you informed.

Employers must consider the risks involved of any decision taken and if unsure please rather contact us. You can contact Kerry Gantley on 083 373 3116 or [kgantley@benekgantley.co.za](mailto:kgantley@benekgantley.co.za) or Mosima Thema on 083 383 4561 or [mthema@benekegantley.co.za](mailto:mthema@benekegantley.co.za)

**Covid-19 #purpose #community #responsibility #unity #workingtogether.**