**STEP BY STEP GUIDE-LINES TO CLAIM FOR COVID 19 TER SCHEME**

 Employers may claim from the **Covid-19 Temporary employee/Employer relief Scheme,** the cost of salaries during the closure of business operations. They may claim a maximum amount of R 17 712.00 per month, per employee in terms of the income replacement rate sliding scale (38% to 60%) as provided for in the UIF Act. Should the employee’s income determined in terms of the income replacement sliding scale fall below the minimum wage of the sector concerned, a replacement income equal to a minimum wage of the concerned sector, will be paid. The fund is de-linked from the UIF normal benefits, therefor the required accumulation of credit formula (1 day for every 4 days worked and the maximum of 365 days for every 4 years), will not apply.

 **QUALIFYING REQUIREMENTS:**

 In order to qualify, the employer must:

 ● have closed the business as a direct result of the Covid-19 pandemic in order to enforce the lockdown regulations and suffer financial distress;

 ● be registered with the UIF;

 ● comply with the application procedure of the scheme.

 **APPLICATION PROCESS:**

 **STEP 1.**

 **Report Closure of business**

TheEmployers must report the closure of the business to the Department of Employment and Labour at the following email address: Covid19ters@labour.gov.za.

 This is done in writing on official company letterhead with the following suggested wording:

 “We (company name) hereby wish to inform you that we have closed our business as a direct cause of the Covid-9 pandemic in order to enforce the lockdown regulations. As a result of the pandemic we have fallen under serious financial distress and will therefor not be able to pay any remuneration to our employees during this period of the lockdown, and thereafter until we have recovered financially.

 We wish to claim benefits from the Covid-19 Temporary employee/Employer relief Scheme as promulgated by the Minister of Employment and Labour in GG 43161 dated 26 March 2020.”

 Once this letter has been submitted, the employer will receive an automatic response, which will outline the application process and they will be required to furnish the UIF with particular documents.

 **STEP2.**

**Open a Covid-19 UIF bank account**

 The employer must open a bank account separate from the company bank account dedicated to receive and pay received funds from UIF to employees. Obtain confirmation of bank account details in the form of certified latest bank statement.

 **STEP 3**

**Draft a “Letter of Authority”**

The Managing Director/CEO of the company must draft a “Letter of authority” on an official company letterhead, in which he/she appoints and authorise a specific employee or official with the powers to submit and administer the claim/application. The letter should contain the following:

 “ I \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the Managing Director / Chief Executive Officer of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ( company name), hereby appoint and authorise \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of employee/Official) to apply for benefits from the Covid-19 Temporary employee/Employer relief Scheme as promulgated by the Minister of Employment and Labour in GG 43161 dated 26 March 2020.”

 **STEP4**

 **Receive and study documentation received from the Department of Labour.**

 Once an employer has submitted the report to the Department of Labour, they will

acknowledge receipt of the report and request key documents to be completed and submitted.

* 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 and Employer )
* Prescribed template that will require critical information from the employer
* Confirmation of bank account details in the form of a certified latest bank statement
* Evidence / payroll as proof of the last three months employee(s) salary(ies)

**STEP 5**

**Draft, and complete the key documents**

1. **Letter of authority:**

See step 3 above.

1. **The “Memorandum of Agreement:**

A draft copy of a Memorandum of Agreement will accompany the mail from the Department. The employer will be expected to edit, where applicable and with information related to their specific case, complete and sign this agreement. If the application is approved, an appointed official of UIF will sign the agreement on behalf of UIF. The agreement shall commence on the date of the last signature and will remain in force for a period of 3 months.

1. **Prescribed template to contain critical information:**

 This is basically a spreadsheet on which the following information must be provided in table form: The file should be exported in CSV format with Pipe delimiter (|) from the payroll system. Pro- forma sheets have been created and can be downloaded for easy use.

* Company UIF Reference Number
* Start date of Shutdown
* End date of shutdown
* Tradename of Company
* PAYE number of company
* Contact Details of company
* Email addresses
* ID numbers of each employee
* Names and surnames of employees
* Monthly Remuneration of employees (see explanatory note 1 below)
* Date of commencement of employment of each employee
* Date of termination of employment(date of start of shutdown)
* Minimum Wage of Sector per month ( see explanatory note 2 below)
* Leave income during shutdown(see explanatory note 3 below)
* Bank Details(see explanatory note 4 below)

 **Explanatory notes:**

1. Monthly Remuneration of employees

 This is the current remuneration paid to the employee in regular circumstances

1. Minimum Wage of Sector per month

 This either one of the following:

 Employees whose wages are prescribed by the National Minimum Wage Act.

Employees whose wages are prescribed by a specific Sectoral Determination. Obtain this from the particular promulgated Sectoral Determination. If new minimum wages for a specific sector have not yet been announced, use the wages prescribed by the National Minimum Wage Act.

 Employees whose wages are prescribed by a specific Bargaining Council Collective Agreement. Obtain this from the particular promulgated Council Agreement. If new minimum wages for a specific Council have not yet been announced, use the previous/current wages prescribed by the Council.

 Further, ensure correct completion of documents. Take care when indicating the Minimum wage. This is crucial and incorrectly stated values might result in serious delays in the processing of the benefit payments.

1. Leave income during shutdown.

 This is the remuneration paid to or to be paid to an employee if he/she is on annual leave, sick, family responsibility or maternity leave during this period.

1. Bank Details

 See Step 2 above.

 This is the details of the special bank account in step 2.

 The means to payment is critical and provide banking details as per the mode selected, example.

 UIF will pay the agreed amount to that account.

 Employers must disburse the benefits to each employee and will be required provide proof of payments, that the payments indeed went to the employees.

 This is also critical, if further payments are required.

 The employer may not deposit or credit the benefits into any other bank account. You may not make any cash withdrawals or draw cheques from this account.

**Step 6**

**Create a document/payroll schedule**

A document which must reflect the remuneration on the company payroll must be created for submission to prove the remuneration of employees over the period of the past 3 months.

**Step 7**

**Submit all required documents in the required form**

Ensure all documents are attached and mail to **Covid19UIFclaims@labour.gov.za**

**CONCLUSION AND PAYMENTS**

Step 1: After the conclusion of the MOA between the UIF and the Employer, the employer must provide the UIF with a pro forma invoice in order to process the first payment.

 Together with this invoice, the documents as per Annexure A and payment Schedule – payment 1, must also be submitted.

 The claimed and approved amount will be paid within 30 days from receipt of the above documents, to the employer.

Step 2: Employer will now allocate and disperse the money to each participating employee. This must be done within 5 days of receiving the money from UIF.

Step 3: In order to initiate the second payment, the employer must submit another invoice accompanied by proof of payment of paid amounts to employees related to the first payment and the employment status of employees.

Step 4: UIF will make payment as referred to in step 1. Employer will now allocate and disperse the money to each participating employee. This must be done within 5 days of receiving the money from UIF.

Step 5: Initiate third and last payment in the same manner as in step 3.

**Telephonic Enquiries**

Telephonic enquiries on the claims can be lodged at Tel no: 012 337 1997