

UIF begins processing new Covid-19 Ters applications

Employment and Labour Minister Thulas Nxesi on Thursday gazetted an updated Covid-19 Ters Direction, paving the way for the Unemployment Insurance Fund to process claims after the relief scheme's extension last month.



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In a statement, the UIF said the new direction is a sequel to the announcement of the extension pronounced by President Ramaphosa in his State of the Nation Address in February. The relief extends as further support to sectors that are unable to operate due to lockdown measures.

The decision came after much deliberation between the UIF and Nedlac social partners. During these engagements, it was agreed that the extension should cover businesses or establishments in sectors hardest hit by lockdown such as tourism, liquor, hospitality, conferencing events and other business activities still affected in related value chains.

The fund in the statement said Nedlac social partners considered the list that the UIF proposed and ensured that it covers all business activities that cannot fully operate due to lockdown regulations.

Acting UIF Commissioner Marsha Bronkhorst said: “The social partners impressed on us that we need to carefully consider other business activities that get indirectly impacted if the main business they render a service to is not operational.

“For example, a bottling supplier in the liquor industry gets affected if production is stopped or reduced by the alcohol manufacturer, and so does the wine or grain farmer who supplies raw material to the manufacturer. So, the invaluable input from social partners has assisted in drawing up the comprehensive list that is attached as an annexure to the Direction,” she said.

She said it should be noted that, according to this Direction, Covid-19 Ters payments will only be applicable to employees who are contributors to UIF, in terms of UIF Act, 2001.

“This means if you are registered with the Fund as a contributor and fall within the identified sectors or business establishments, and have not been able to work normally, you qualify to receive the benefit,” said the fund.

The benefit will also cover vulnerable employees who have comorbidities, or who are 60-years or older and cannot be safely accommodated at work, and those who must isolate or quarantine to prevent infections, regardless of the sector they work in.

Added the Fund: “Employees who continue to be affected by short time, shift rotations, temporary layoff, and other operational requirements related to current economic conditions, but who do not work in the specified sectors, will be entitled to claim relief under section 12 (1B) of the UIF Act.”

To assist employees to maximise the benefits associated with credits used in claiming under 12 (1B), the Direction allows for the benefit calculated to be paid out in full (and not as usual to the benefit level), providing that when added to what the employee earned for work performed in the period, it does not exceed their normal earnings.

The Fund will follow two payment iterations for the extension period, with the first being from 16 October to 31 December 2020, and the second from 1 January to 15 March 2021.

UIF has already opened the online application system to start processing claims for the first payment iteration. Guidelines on the application process are available on the Department of Employment and Labour website (<https://uifecc.labour.gov.za/covid19/>) and Covid-19 Ters portal (uifecc.labour.gov.za).

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