**C19 TERS EMPLOYEE FREQUENTLY ASKED QUESTIONS**

LAST UPDATED 6 APRIL 2020

**Income Implications**

**What does the lockdown mean for me in terms of income?**

National lockdown means that our organisation has had to shut down and all our employees have been sent home, to comply with the Government requirements. Due to our organisational realities, this means that our employees are

[insert specifics relating to your company’s decision regarding pay / part payment / work from home etc.]

**What happens to contributions to my medical aid?**

[insert specifics relating to your company’s decision regarding company-contributions to medical aid]

**What happens to contributions to my provident/pension fund?**

[insert specifics relating to your company’s decision regarding company-contributions to provident/pension]

**What happens to contributions to my risk benefit?**

[insert specifics relating to your company’s decision regarding company-contributions to risk benefit, particularly whether the employees will continue to be covered for illness/death benefits etc.]

**Will I be asked to take Annual Leave during the 21-day lockdown and associated shut down?**

Yes. Despite differing public reports and discussions on whether this is “fair”, it is legal for an Employer to ask employees to take Annual Leave as an alternative to unpaid leave, which in effect is the principle of “no work, no pay”. To this end, [insert company name] is attempting to minimize, as far as possible, the financial burden on employees, we are offering our employees the chance to make use of their Annual Leave during this period.

[insert specifics relating to your company’s decision regarding leave available etc.]

**What happens if I don’t have any (enough) leave available for the lockdown period?**

Where annual leave has been exhausted, individuals will be on unpaid leave, which equates to “no work, no pay”. In this event, [insert company name] will make applications to UIF, on behalf of all affected employees, to secure the UI benefits available to them aligned to the C19 TERS initiative.

**What happens if the national lockdown is extended beyond 16 April 2020?**

[insert company name] will attempt to minimise financial hardship for our employees as far as is possible. Should the national lockdown extend beyond the current 21 days, employees who have annual leave available, can opt to take the days available to them, before the principle of “no work, no pay” applies.

Where annual leave has been exhausted, individuals will be on unpaid leave, which equates to “no work, no pay”. In this event, [insert company name] will make a second application to UIF, on behalf of all affected employees, to secure the UI benefits available to them aligned to the C19 TERS initiative.

**Can employees claim for loss of income from UIF?**

You may only claim for UIF if you are suffering financial loss during the national lockdown period. This is where you would usually have worked, but due to the lockdown or associated Employer shutdown, you are on a “no work, no pay” basis, or are receiving significantly less than you normally would, had the lockdown not happened.

**How can I apply for UIF?**

Given the requirements for social distancing and the current national lockdown period, individuals may not apply for UIF in the traditional manner. Rather, the Department of Employment & Labour (DEL) has developed a specific scheme, known as Covid-19 Temporary Employer-Employee Relief Scheme, or C19 TERS, to manage this.

Under C19 TERS, the Employer can apply for all affected employees (those who suffer income loss during the shutdown period) to receive UI benefits as part of the scheme.

**What are the main differences between C19 TERS and the usual UI claims processes?**

The primary difference is that C19 TERS allows the Employer to make a single electronic claim on behalf of all affected employees and foregoes the need for employees to complete the myriad forms usually required.

Further, the UIF will process the claim and make a single lump sum (benefits) payment to the Employer who will disburse benefits to qualifying employees via their usual pay channels.

**Will the Organisation make application on my behalf?**

Yes. [insert company name] will make an application on behalf of all our affected Employees. The application claim is being made as we speak, and we will keep our employees updated on its progress.

**How long will the application process take?**

We are unsure of timelines at this stage, although statements made by the UI Commissioner indicate that Government is aware of the urgency and need to expedite processing and payment to employees who may not receive income during the lockdown period.

**Will I receive payment on my normal payment date?**

We are unsure of whether the UIF will make payment by our usual pay date of [insert pay date]. We are/are not able to advance our employees the UI benefit value, to ensure that you get payment by this normal date.

[If advancement is available, then include the following paragraph below:

The value of the UI benefit will be advanced to you on an interest-free loan basis. Once the UI benefit is received by the Organisation, this money will be offset against the loan value.]

[If advancement is not available, then include the following paragraph below:

Unfortunately, we cannot guarantee the payment date from the UIF. We therefore recommend that you contact your bank to advise that you will not be receiving your usual remuneration and attempt to gain relief, or leeway regards to payment date, for direct debits etc.]

**How much of my salary is paid out for UIF claim?**

The UIF will assess the information provided by the Employer and apply its normal Income Replacement calculations to determine the benefit payable per employee and submit a detailed spreadsheet to Employer stating individual benefit value for onward distribution.

Benefits are de-linked from UIF credits system, therefore the provision that four days of work equates to one day’s credit (for up to 365 days) *does not apply. This means that all employees will receive the full value of the benefit calculation, no matter how long they’ve worked (contributed) or if they’ve previously claimed.*

Qualifying employees (those who have lost some/all their income during the lockdown) may get a percentage of their salary between 38% and 60% with a salary cap of R17 712 per month applied in line with usual UIF calculations.

The C19 TERS benefit is guaranteed to be a minimum R3500 per month, regardless of the sector minimum wage. This means that those employees earning less than R5850 will likely benefit to the minimum of R3500 per month guaranteed. And the maximum benefit payable will be R6730 per month (pro rata for the period).

Illustrative Examples:

***Low Earner***:

Normal salary is R4 000 per month.

Usual UI benefits would be calculated at 60%, which equates to R2 400 per month.

Under C19 TERS the minimum benefit that will be calculated is R3 500 per month.

***Median Earner:***

For those earning above R5850 and below R17 712, it’s difficult to know the exact benefit amount as the UI calculator is not publicly available.

***High Earner***:

Normal salary is R25 000 per month.

UI benefits will only be calculated on a maximum salary of R17 712 per month, and at 38%

Under C19 TERS this means the maximum benefit that will be calculated is R6 730 per month.

**Is the UI benefit amount taxable?**

Any monies received from UIF is tax-free. This means that the full claim value (per employee) will be paid to employees without being processed for tax and other statutory deductions.

[insert below if you intend to make any form of “top up” payment to your employees]

To clearly manage the UI requirements to show onward distribution to employees, and to separate the payment received from UI and the additional payment [insert company name] will make to employees, you will receive two payments at the end of April, as follows:

1. the precise amount as determined by the UIF which is paid in full, without tax; and
2. any “top-up” balance you are eligible for, which will go through usual payroll processing and have any applicable taxation and statutory deductions made

**What if UIF does not cover my minimum expenses?**

Unfortunately, for majority of median and higher earners, the UI benefits amount will be significantly lower than your normal salary. If you find yourself short of funds for the period of the lockdown, it is recommended that you contact your bank to understand what relief they may be offering. All South Africa’s major banks have offered payment holidays and other relief measures for their customers, providing you engage with them ahead of time. Remember to ask about insurance products that you may have linked to credit cards etc., which may insure you against periods of loss of income.

During this uncertain economic period, it is also wise to minimise costs, eliminating unnecessary expenses, and ensure that you pay the critical accounts, for example medical aid.

**Illness Options**

**What if I get sick and do not have enough sick leave?**

In the first instance, your sick leave – and [insert company name] policies in this regard - will apply, just as it would in periods outside the Covid-19 lockdown. However, should your sick leave be exhausted, it is noted that the C19 TERS benefit provides UI support for those who become sick due to Covid-19.

In this regard, should an employee become infected by Covid-19, or suspect that they might be, and have to self-quarantine for up to fourteen (14) days, they may apply for illness benefits via UIF. Providing there is a mutual consent letter from Employer and Employee confirming that they were self-quarantined due to suspected Covid-19 infection, the Employee will qualify for illness benefits calculated at the usual Income Replacement Ratio sliding scale. If the illness prolongs beyond 14 days, or there is no letter from both parties, a medical certificate will be required for application to UIF.

**How do I claim workmen`s compensation should I get infected at work?**

Any employee who contracts Covid-19 at work, or in the process of executing their duties, will be covered under COIDA. If you do contract the coronavirus, notify your HR Manager who will advise on the process to follow. [insert company name] will assist in the COIDA application on your behalf.

**Can I be forced to undergo testing for Covid-19 at work?**

Yes. Covid-19 is a notifiable disease and Employers are required to ensure that they follow Government requirements in this regard and ensure that they take all necessary precautions to avoid the spread of the disease. [insert company decision regarding cost of testing in this circumstance]

**Must I notify the Employer if I test positive for Covid-19?**

Yes. Government regulations are clear that Covid-19 is a notifiable disease and failure to declare your positive status and to take the required precautions, including quarantine requirements, is a criminal offence. You are required to immediately notify your HR Manager if you test positive. Further, if someone in your immediate proximity, specifically those in your household, test positive, you are also requested to notify your HR Manager in order to enable quarantine.

**Can I use family responsibility leave if I need to take care of a family member who is sick with Covid-19?**

Yes. We require you to notify us immediately of any close family member who is Covid-19 positive and you will be required to be in self-quarantine to minimise your risk of spreading the disease. The usual processes will apply regards to notification of need to take family responsibility, including supporting proof aligned to our policy.

**Is special leave going to be extended to more days should family members get sick?**

[insert company specifics if applicable]

**Will our Risk Benefit cover Covid-19 related death?**

[We have checked with our Insurer and can confirm that], in the unfortunate circumstance where an employee, covered by the death benefits, dies as a result of Covid-19, that their death benefits will be paid out.

**Mitigating Risk**

**How can I mitigate the risk of getting Covid-19?**

The Government has clear protocols in respect of managing citizens, whether covered by medical aid or not, who contract Covid-19. To minimise the chances of you/your family contracting the coronavirus, you are recommended to follow the protocols recommended by the Government, as follows:

* Act responsibly and ensure that you fully comply with the prescriptions of the lockdown period.
* If you must leave home (for essential services as prescribed) maintain social distancing, don’t touch people, avoid crowds and take the necessary hygiene precautions.
* Phone a doctor for further guidance if you show symptoms of Covid-19 (high fever, aching muscles, sore throat, respiratory illness, coughing) OR
* Contact the Public Hotline (0800 029 999) or Dept of Health WhatsApp number – 0600 123 456 (type “hi” to connect)
* Most importantly! Self-quarantine while ill or symptomatic (i.e. keep distance from people you live with until all symptoms have disappeared – try use a separate toilet as well – you are likely to only get a very mild case if you do get it and may even question whether you have it – but do everything in your power not to pass it on as the elderly and immune compromised may not be so lucky. Ask others to go to the pharmacy or shop for you).
* Advise your line manager immediately and apply for sick leave in the ordinary manner when ill.

**What precautions is the coming taking to mitigate the risks associated with Covid-19 for those who must work?**

[insert company-specific measures taken in this regard]

**If it is too dangerous to come to work (e.g. taxi overloaded), can I take unpaid leave / other leave?**

You have the choice, based on your perception of safety, to eliminate potential risk of contracting Covid-19. However, it should be borne in mind that you have a contractual obligation to attend work at the prescribed date and time and that failure to arrive, without notice and reasonable cause, could lead to disciplinary action.

Recent directives from Government have clearly stated the maximum numbers of passengers that taxis may carry to enable social distancing and to minimize the risk of contracting Covid-19. Precautions that you can take to further minimize your chances of contracting it include keeping your distance, using hand sanitizer and avoiding touching surfaces wherever possible. Wear a mask or cover your face and try not to touch your face when you’ve been out in public. Wash your hands thoroughly as soon as you get to work/get home and maintain highest levels of hygiene.