



DATED: 10 April 2020

TO: ALL PARTICIPANTS IN THE MOTOR INDUSTRY

**NOTICE: GUIDELINES FOR THE UNEMPLOYMENT INSURANCE FUND
TEMPORARY EMPLOYEE-EMPLOYER RELIEF SCHEME (TERS)
DURING THE COVID-19 LOCKDOWN**

MIBCO has noted the directive issued by the President of the Republic of South Africa in terms of a full 21 day national lockdown up to and including 16 April 2020. MIBCO heeded the call and is on lockdown to help 'flatten the curve' of coronavirus infections, but continues to monitor developments with regards to the lockdown and continues to support the Motor Industry from a working environment that conforms to the regulations of the Disaster Management Act. In doing so, MIBCO has become aware of the new Temporary Employee-Employer Relief Scheme (Covid-19 TERS) that has been introduced by the State and the Unemployment Insurance Fund (UIF) to provide another form of relief for employers and employees during lockdown. The UIF has subsequently provided processes which includes a Memorandum of Agreement (MOA) for employers to access and claim from the scheme. MIBCO will not be entering into a MOA with the UIF on behalf of employers of the Motor Industry. However, employers are encouraged to follow the processes and enter into an MOA with the UIF on their own. MIBCO hereby provides support to members in terms of simplifying the process and making templates available for employers to use. Employers impacted by the COVID-19 lockdown and encounter the following conditions can apply and may qualify for TERS: Those conditions are as follows:

1. Temporary closure of its business operations is a direct result of the Covid-19 pandemic.
2. The employer will immediately inform the UIF on the recommencement of its business operations that were subject to temporary closure.
3. The employer is registered with the UIF.
4. The employer is not registered with a bargaining council that has entered into a MOA with the UIF.
5. Employees who suffer or will suffer a loss of income as a result of the temporary closure by the employer of its business operations; and
6. Employees who were in employment prior to the commencement of the national lock-down on 27 March 2020.

Good to Great Together

Employers applying for TERS are welcome to contact MIBCO for assistance on the following email addresses:

Eastern Cape Region: Kenneth.Lupondwana@mibco.org.za

Western Cape Region: Bradley.Jacobs@mibco.org.za

Kwazulu Natal Region: Naven.Soobramoney@mibco.org.za

Free State/ Northern Cape Region: Betty.Stalenberg@mibco.org.za

Highveld Region: Nigel.Cosway@mibco.org.za

Northern Region: Andrew.Janssens@mibco.org.za

Please take note of the explanations and resources referenced herein:

Step-1:

- 1.1. Obtain and provide a bank certified business bank account verification letter of the employer with ten (10) or more employees.
- 1.2. An employer that employs less than 10 employees must submit the information and documentation of the individual bank accounts of its employees. The UIF will pay the benefits directly into the employee bank accounts as provided by the employer.

Step-2:

- 2.1. Submit:
 - 2.2.1. A signed and complete the UIF MOA for employers – for employers with 10 or more employees; or
 - 2.2.2. Provide a signed letter confirming the employer employs less than 10 employees and provide the information required in 1.2.

Step-3:

- 3.1. Complete the '**MIBCO Template_Company payroll and information**' document and list all employees for whom claims are being made and provide information in terms of 6.1.1 or 6.1.2.
- 3.2. Download the '**MIBCO 2018_19 Wage Schedule**' and the '**MIBCO Occupation List a Job Description**' documents and use/attach as supporting documents.
- 3.3. Obtain a 3 month proof of payroll that includes all employees for whom claims are being made.

Step-4:

Prepare a Letter of Authority on an official company letterhead, granting permission to an individual specified to lodge a claim on behalf of the company/employer.

Step-5:

- 5.1. Submit all completed documents/forms and supporting documents via email to Covid19UIFclaims@labour.gov.za by the 15th of each month.
- 5.2. Use the following as a submission checklist:
 - 5.2.1. Letter of Authority for company official.
 - 5.2.2. ID copy of company official.
 - 5.2.3. MOA where applicable (all pages initialled and signed).
 - 5.2.4. Bank account verification letter.
 - 5.2.5. Employer bank account confirmation letters (for employers with less than 10 employees)
 - 5.2.6. 3 month bank statement of the employer/business.
 - 5.2.7. MIBCO Template Company payroll and information.
 - 5.2.8. MIBCO 2018/19 Wage Schedule.
 - 5.2.9. MIBCO Occupation List and Job Description.
 - 5.2.10. 3 month payroll including all employees on the claim.

Step-6:

- 6.1. The Employer may:
 - 6.1.1. If by means to do so, submit a calculation of the amount of benefits to be paid to employees for the expected period of the temporary closure of its business'; or
 - 6.1.2. wait and obtain confirmation that the claim amount has been approved by the UIF and claim values.
- 6.2. Complete and submit the pro-forma invoice to Covid19UIFclaims@labour.gov.za if 6.1.2 is applied.

General:

1. The Employer undertakes to use the Covid-19 benefit exclusively and solely for the purpose of paying approved benefits to its employees, subject terms of the MOA.
2. The MOA will be valid for a period of 3 months (can be extended).

3. Inform the UIF as soon as an employee is terminated and provide details of employees no longer in employment
4. Covid-19 Benefits must be paid from the designated bank account into the employees bank accounts.
5. The Employer must pay its employees their benefits within 2 days of receipt of funds from the UIF in accordance with the spread sheet or confirmation contemplated in clause 11 unless it has already paid part or all of the benefits in accordance with the spread sheet or confirmation, in which case the Employer may-
 - 5.1. recover the amounts so paid from the funds deposited in terms of clause 11; and
 - 5.2. pay the balance, if any, to the employees.
6. The Employer must submit proof of payment to the UIF within 5 days of the receipt of funds from the UIF.
7. UIF shall pay funds electronically into the Bank Account within 30 (thirty) days of receipt of accepted deliverables.
8. Ensure that Tax is deducted according to the South African Revenue Service (SARS) regulations.
9. The employer must return any unutilized funds, including interest, to the UIF within 10 days of the recommencement of its business operations, or the termination of this agreement, whichever is the earlier.
10. Employers will be required to sign an acknowledged debt if contributions are not up-to-date.
11. UIF has the right to request reports and to conduct audits.
12. To obtain the required documents go to www.mibco.org.za click on the **Communications** tab and then click onto **MIBCO bulletins** or simply click [here](#):
13. For assistance the regards to TERS contact the UIF on (012) 337 1997 or at Covid19ters@LABOUR.gov.za

Refer to MIBCO circular 2020/00009 for other UIF relief options.

MIBCO is monitoring the situation with regards to the COVID-19 lockdown and will inform the Motor Industry of changes and developments.

The MIBCO Team

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