



employment & labour

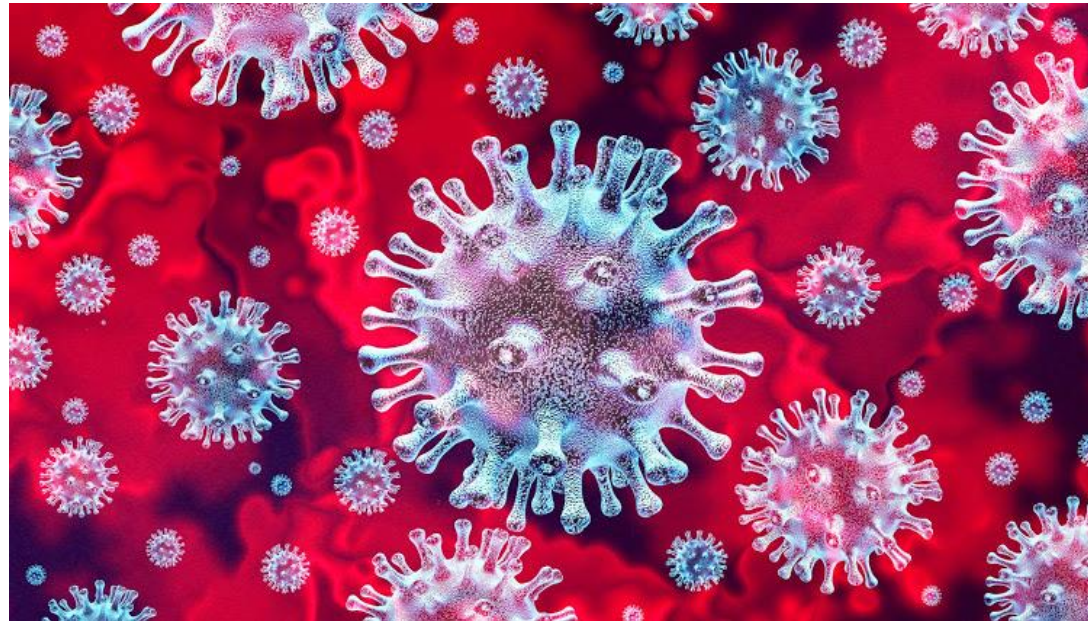
Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA



Media Monitoring

DAILY MEDIA CLIPS

2020/04/08



Day 13 of 21 National lockdown: 1749 confirmed cases and 13 deaths in South Africa.



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Summary of articles

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Detailed Articles

1. Covid-19: What are your rights as an employee?

Quick guide to the lockdown rules

With the implementation of the national lockdown by President Cyril Ramaphosa on 26 March 2020 there has been understandable confusion. While some employees have been told that continuing to work is unlawful, others are legally obliged to continue working. How do you know which category you fall into, and what are your rights in each case?

Whether or not you are required to continue working during the national lockdown depends on whether you or your employer provides an essential service or a service that provides essential goods.

Essential services employees

If you are employed by a company or a division of a company that provides essential goods or essential services, you are obliged to continue working during the lockdown.

Essential goods include food and non-alcoholic beverages; cleaning and hygiene products; medical supplies, personal protective equipment, chemicals and packaging of medical supplies; fuel and basic goods such as airtime, electricity and withdrawal of cash.

The list of essential services is longer and includes medical services, grocery stores (including spaza shops and informal food traders with written permission from the municipality), media services, waste and refuse removal services, production and sale of hygiene products, disaster management services, police and transport (for people who are providing essential goods and services).

The full list of essential services is attached as Annexure B to the lockdown regulations published on 26 March 2020 under the Disaster Management Act, 2002. The lockdown regulations are subject to change and at any stage during the lockdown, there may be changes made to the regulations. For example, the list of essential services and essential goods was amended on 2 April 2020.



If your work falls under an essential service, you must have a permit in terms of the prescribed form in the regulations. Employers must provide you with this permit, preferably on a company letter head, so that you can commute to and from work without encountering any trouble from law enforcement officers.

Non-essential services employees

If your employer does not provide essential goods or services then it cannot legally force you to work during the lockdown. However, there are two exceptions to this:

- the employer can require certain employees (particularly those who perform work related to care and maintenance at the workplace) to report for duty; and
- employees who are able to work from home may also be required to continue working during the lockdown period. This is permissible under the regulations.

What are your rights under these circumstances?

You cannot be dismissed for not reporting to work during the lockdown period (subject to the exceptions above). An employer that does not provide an essential good or service but nevertheless continues to operate during the lockdown period is acting unlawfully.

An employer may legally implement the no-work-no-pay principle during the lockdown. However, whether or not this can be implemented in each employer-employee relationship depends on the terms of your employment contract. If an employer has implemented this principle it is advisable for you to check the wording of your contract. If a force majeure (act of God) clause exists, it is likely that the employer is able to implement this principle. If not, the common law principle of impossibility of performance can come into play, which means that the employer can still legally implement no-work-no-pay. In the extraordinary circumstances of Covid-19, this principle should be used by employers as a measure of last resort. The employer should consider broader principles relating to ethics and morality when deciding on the most appropriate course of action.

An employer can also legally require employees to take annual leave during the lockdown. Some employers may opt to do this instead of implementing the no-work-no-pay option for their employees.

Government assistance: who can apply?



The good news is that if an employer and its employees do not fall under the essential services or goods category, and the business is unable to continue operating during the lockdown, government has set up assistance for both employees and employers. Some of these measures may also apply to essential services employees.

The Unemployment Insurance Fund (UIF) has introduced the Temporary Employer-Employee Relief Scheme (TERS) for employers who are financially distressed and unable to pay salaries of employees during the Covid-19 crisis. TERS is available to employers who are required to close their operations for a period of three months (or less). Only employers may apply to the Department of Employment and Labour for TERS support, for themselves and their employees.

If employers cannot obtain assistance from TERS, employees can apply to the UIF for the reduced work time benefit. This will apply to employees who lose income due to a reduction of the amount of time they are able to work.

The UIF has also made available a special illness benefit for employees who are placed in quarantine for 14 days or longer. Both essential and non-essential services employees can apply for this.

In addition to the UIF, the Compensation Fund has announced that if you become infected with the SARS-CoV-2, the coronavirus that causes Covid-19, at the workplace, you may be able to claim compensation. To qualify, you will need to show that you contracted the virus in the course and scope of employment.

In addition, tax subsidies of up to R500 a month are available for the next four months for private sector employees earning below R6,500 a month.

Lastly, the Department of Small Business Development has also provided relief for Small Medium and Micro Enterprises (SMMEs) through the Debt Relief Fund and the Business Growth/Resilience Facility:

- The Debt Relief Fund is available to provide relief on existing debts and repayments which SMMEs may be unable to afford due to the Covid-19 crisis. The fund will also assist with acquiring raw materials and covering labour and operational costs. To qualify, SMMEs will need to show the direct link between the inability to service debts and Covid-19.
- The Business Growth/Resilience Facility enables qualifying SMMEs to continue to participate in supply value-chains, particularly those who manufacture locally or supply various products that are currently in demand due to the pandemic. This only applies to SMMEs that are 100% South African owned.

We are living in unprecedented times; knowing your rights and obligations is an important first step as we navigate our way back to ordinary life.



For further information on the measures introduced by the UIF, please visit: www.labour.gov.za.

Shane Johnson and Samantha Robb are at Webber Wentzel.

2. Employers must take responsibility if they send domestic workers home - union

Domestic workers are one of the most vulnerable groups in the labour sector facing an uncertain future amid Covid-19.

The President of the United Domestic Workers of South Africa (UDWOSA) says domestic workers are being told to stay away as South African households practice social distancing.

Pinky Mashiane says employers need to act responsibly if they ask domestic workers not to come to work.

Mashiane has urged employers to put their agreements with domestic workers in writing.

She says those domestic workers who have registered with the UIF must claim unemployment benefits during this time.

Mashiane claims that the Department of Labour has not consulted with unions regarding the impact of the coronavirus.

3. Claiming money from the UIF: Everything you need to know

- **The Unemployment Insurance Fund has introduced a special new coronavirus benefit, aimed at workers affected by the pandemic crisis.**
- **Employers need to apply for the coronavirus benefit if they can't afford to pay their workers.**
- **The maximum amount recipients will get is R6 730 a month.**

The coronavirus crisis and lockdown have paralysed businesses and left many in South Africa without an income.



Enter the Unemployment Insurance Fund (UIF), which should help those in the formal sector with some form of payment in this time.

Everyone who works more than 24 hours a week should contribute 1% of their income – deducted from their paychecks, and paid over by their employer - to the UIF.

Some 1.5 million companies in South Africa pay contributions to the UIF on behalf of their workers.

When a contributing worker becomes unemployed; is unable to work due to sickness; or go on maternity leave, they can claim benefits from the UIF. You can also claim if your employer decides to cut your hours (this is called the “reduced working time” claim).

Government has now also introduced a special new coronavirus benefit, aimed at workers affected by the pandemic crisis.

Here’s what you need to know about claiming in time of the coronavirus crisis:

Who can claim from the UIF at this time?

If you lost your job, you can claim an unemployment benefit from the UIF – and if your company reduced your working hours, you can also put in a claim.

But if your company put you on unpaid leave during this time, or if you have been laid off temporarily - or if a company can only afford to pay a part of your salary - you may get a special payout from the UIF, as part of the Covid-19 Temporary Relief scheme, also known as the special Temporary Employee/Employer Relief Scheme (TERS).

How does the new coronavirus benefit work?

A business has to apply to the UIF to get money to pay workers. It will have to prove that it suffered a severe knock from the lockdown. If approved, the UIF will pay out money per worker for up to three months.

Unlike normal UIF benefits, which is paid to workers, the money may be distributed first to the company, which will then pay workers. (This arrangement has not been finalised, though.)

And also unlike the normal UIF benefits, you don’t have to have enough “credits” with the fund to claim the money. The normal UIF rule is that that you could get one day’s payout for every four days’ work (up to certain maximums). But this falls away for the new coronavirus benefit. All workers at approved companies will get payments.

Businesses must have been registered with the UIF before the crisis started to qualify for the benefits.

How much will I get?



The amounts paid will be a percentage of an employee's salary, according to a legislated sliding scale from 38% (highest earners) to 60% (lowest earners)

The maximum you will get is R6 730 a month. The sliding scale stops at R17 702: All workers earning more than this will only get the 38% maximum benefit (R6 730). The minimum amount will not be below the minimum wage (around R3 500).

It will work on the same principle as maternity benefits. If a company can still afford to pay employees a part of their salaries, the TERS money will "top up" these payments – but employees can't earn more than 100% of their current salaries.

Read | [Lockdown: Your boss can force you to take leave – and cancel your December break](#)

How do I claim UIF?

If you are unemployed or have had your hours reduced, you can claim directly from the UIF. The UIF offices are closed, but you can register online at <https://www.ufiling.co.za/>. From the home page, click on the 'Activate my uFiling account' button and follow the on-screen instructions. You will receive a case number to track your progress. Alternatively you can email Online.BCP@labour.gov.za for guidance.

For the coronavirus benefit, you can't apply - your employer has to. Businesses need to mail covid19ters@labour.gov.za to register their companies for the payout. The UIF hotline for the coronavirus benefit is 012 337 1997.

Confirm with your employer that they have registered – and if not, alert the department of labour and the UIF directly.

At a briefing earlier this week, labour minister Thulas Nxesi made it clear that government will take a hard line if it found that companies who were not paying their workers, did not claim from the UIF under the new scheme.

“Workers should not be punished because of irresponsible employers,” Nxesi said, urging companies to take this option and soften the lockdown blow to staff.

When will you get the money?

Currently the turnaround time for payment on approved unemployment claims is 15 working days. The timeframe is not yet clear for the new benefits.



4. UIF's R30bn support for workers hit by the lockdown is ready for claims

With an estimated 80% of the economy shut down, the administration of the benefit will be hugely demanding

The agreement allows employers to supplement these benefits, which is not allowed in other uif benefit schemes

The special Covid-19 lay-off benefit that will operate through the UIF was finalised on Tuesday when business, labour and government finally reached agreement on the scheme in Nedlac.

The scheme is the single biggest government initiative to provide relief to those in formal employment who will lose their income due to the lockdown.

The UIF has said that it has R30bn in immediately accessible funds drawn from its accumulated reserves to fund the scheme.

In a statement on Tuesday, Business for SA (B4SA) said the notices based on the agreement have been signed by employment & labour minister Thulas Nxesi and await imminent gazetting. B4SA is a coalition of all business organisations cooperating to deal with the Covid19 outbreak.

Robert Legh, chair of B4SA's team on the labour market, said: "We are pleased that we managed to reach a consensus on a scheme that will provide some benefit to those who are losing income during this time of unprecedented crisis, and we hope we have established a system that will be able to deliver these benefits with optimal efficiency."

The Covid-19 Temporary Employer/Employee Relief Scheme (Ters) is open to all employees who along with their employers are contributors to the UIF where the employer has closed operations and employees have lost their income as a result of the pandemic.

The amount of the benefit is based on a sliding scale of between 38% and 60% of earnings, where the lowest paid are at the top of the scale. A floor and ceiling are also in place, with the minimum monthly payment pegged at R3,500 in line with the minimum wage and the maximum at R6,730.

The benefits will be available for up to three months.



An important aspect of the agreement allows employers to supplement these benefits, which is not allowed in other UIF benefit schemes. The maximum that any employee can receive is 100% of their salary. B4SA has appealed to employers to exercise “maximum generosity” during this period.

To simplify the administration an employer with more than 10 employees will apply for the benefit on behalf of its workforce. In companies with fewer than 10 employees, the employees themselves will be able to apply. Bargaining councils will also be entitled to apply on behalf of employees represented by the council, and agreements have been reached in the clothing and textile councils for this to happen.

The employer is required to pay the benefit to employees within 48 hours of receiving the monies from the UIF. The UIF will have the right to audit any applying company.

Employers must report the closure of their operations to covid19ters@labour.gov.za, after which they will be prompted on how to follow the application process.

With an estimated 80% of the economy shut down, the administration of the benefit will be hugely demanding.

The UIF has 1.8-million employers on its database. If a little over half of all employers apply for the benefit, it will need to process a million claims.

Health minister Zweli Mkhize moved on Tuesday to assure health-care professionals that they would have all the equipment they needed to protect themselves against Covid-19, promising that no one would be forced to work without proper gear.

His remarks come as SA’s biggest public sector health union readies for a legal fight for personal protective equipment, such as masks and gowns.

The National Education, Health and Allied Workers’ Union has approached the Labour Court seeking to compel the health department to “meaningfully engage” with its members to ensure they have the right equipment and ensure that no one is compelled to work without it. The matter was expected to be heard on Tuesday, but was delayed.

“No member of staff will ever be forced or harassed to go and work where they don’t feel they are properly protected,” the minister said.

“We want to assure all unions and staff that our health-care workers’ safety [is] of paramount importance,” he said at an event to mark the arrival of the first consignment of protective equipment procured from suppliers in China with donations from the Solidarity Fund, billionaire Patrice Motsepe’s philanthropic organisation, FirstRand and Naspers.



The total order book is worth R750m, with the first consignment valued at R69m, according to Business SA (BSA) health work group head Stavros Nicolaou. BSA had worked closely with donors and the government to source, procure and distribute the equipment, he said.

Nicolaou said SA was not short of personal protective equipment, but the supplies that were available needed to be distributed more judiciously to ensure frontline health workers were prioritised.

The additional supplies are expected to cover SA's need for personal protective equipment for the next six to eight weeks, depending on how rapidly Covid-19 spread, according to the minister.

Covid-19 is caused by the highly contagious Sars-Cov-2 virus and has raced around the world since it first emerged in China late in 2019. By Tuesday it had sickened 1.38-million people in 184 countries and regions and killed at least 78,000,

5. Covid-19 prompts EOH to cut pay to save jobs, curb costs

• Group says move could save it R40m-R50m a month

Technology group EOH will cut executive and staff pay to rein in costs and save jobs. This is partly in response to the Covid-19 pandemic.

EOH, which is battling a debt pile that is more than four times its market capitalisation, joins other companies such as Mr Price and Woolworths, which have taken similar action.

EOH CEO Stephen van Coller and the group's executive committee members will cut their salaries by a quarter.

The group also proposes a 20% reduction in salaries for staff paid more than R250,000 a year. The company will consult staff on its proposal.

CFO Megan Pydigadu told Business Day that cutting pay across the group could save it R40m-R50m a month in people-related costs. EOH aimed to save up to R100m in total monthly costs during the Covid-19 crisis, she said.

The group said it had responsibilities in supporting SA's information technology infrastructure, with its 5,000 longterm clients including many SA banks and Eskom as well as municipalities and government agencies. The move comes as EOH battles a debt burden and reputational damage from poorly contracted legacy publicsector agreements.



In February 2019, it asked law firm ENSafrica (ENS) to review its large, historical licensing contracts with the state. It has since instructed ENS to begin legal proceedings against people implicated in illegal actions in the probe.

The group is disposing of assets to reduce its debt burden, which fell to R2.99bn at the end of its first half to end-January, from R4.1bn at the end of the prior matching period. This compares unfavourably with its R628.5m market capitalisation on Tuesday.

The group narrowed its loss in the first half, more than halving it to R1.16bn. Sales concluded during the period included that of Dental Information Systems, a Cape Town-based health-care technology group, for R250m to AfroCentric.

Total revenue fell 21.8% to R6.35bn. The group reported lower sales of hardware and software, citing a slowdown in SA's economy.

Peter Takaendesa, a portfolio manager at Mergence Investment Managers, said the EOH management team did well to reduce losses and the cash drain on the business while operating in a very challenging market.

Poor legacy contracts that were unprofitable, more restructuring costs and a highly geared balance sheet would remain key EOH challenges for a while, particularly if the economy continued to decline, said Takaendesa.

However, improved market conditions could help EOH accelerate its asset-disposal programme, and better operational performance could help reduce debt to "sustainable levels by July 2021", he said.

The foundation for a successful turnaround had been laid, but addressing challenges identified in returning the company to revenue growth were critical to EOH's sustainability, said Takaendesa.

EOH said the customer base and revenue of its core ICT businesses had stabilised.

"Our key businesses have delivered sound performances demonstrated by improved gross margins over the reporting period," said Van Coller.

EOH's share price, which was once more than R170, was 16.34% higher at R3.56 at close of trade on Tuesday.



6. 195m jobs might be lost worldwide

GENEVA: The UN's labour organisation estimates the equivalent of 195 million full-time jobs could be lost in the second quarter alone from Covid-19, with businesses and plants shuttered worldwide.

The projection from the International Labour Organisation (ILO) is based on an emerging impact of the virus, and it amounts to a big increase from its March 18 prediction for an extra 25 million jobs losses for all of 2020.

ILO director-general Guy Ryder says, "These figures speak powerfully for themselves: the world of work is suffering an extraordinary fall."

The agency says full or partial lockdown measures now affect nearly 2.7 billion workers or about 81% of the global workforce.

Some 1.25 billion are in hard-hit sectors, he said.

7. 9 farmworkers killed in tragic accident

More than 10 taken to hospital with injuries

A TRUCK collision that claimed the lives of nine people has brought farmworker transport safety into the spotlight amid the Covid-19 pandemic.

The nine farmworkers were killed when the truck they were travelling in collided head-on with another truck on the N1 between Touws River and De Doorns yesterday.

It is believed that at about 7am, an oncoming truck driver travelling from Cape Town towards the north had fallen asleep behind the wheel.

The truck is suspected to have veered into the wrong lane and collided with the truck carrying workers.

Initially, about 18 people were injured and six declared dead on the scene.

Later in the day, another three succumbed to their injuries. Both drivers were injured and also taken to hospital in Worcester.



Police spokesperson André Traut said they were investigating a case of culpable homicide.

ER24 spokesperson Russel Meiring said they, along with Life Healthcare and the Western Cape Metro, found a number of people lying scattered around the vehicle. “Medics assessed the patients and found that six people had sustained fatal injuries.”

He said the injured passengers were tended to on the scene.

“Assessments showed that the injuries sustained ranged from critical to moderate. Paramedics treated the patients and provided several of them with advanced life-support interventions.

“Once treated, one critically injured patient was airlifted by the AMS medical helicopter to a nearby hospital, while the remaining patients were transported to nearby hospitals for further care,” said Meiring.

Farmworkers are classified as essential workers and therefore have to go to work.

Executive director of the Rural and Farmworkers Development Organisation Billy Claasen said: “Farmers and labour contractors sometimes make use of open trucks to transport workers.

“This practice is dangerous to farmworkers, who sit without any protection.

“We call on the authorities to give the necessary support to the farmworkers and the families in this time of shock and bereavement.

“This places the spotlight again on the transportation of farmworkers. Today we still await reports of accidents that happened years ago in Piketberg, Stellenbosch, Citrusdal and Saron, to mention a few.”

Claasen urged President Cyril Ramaphosa and the minister of labour and agriculture to step in and “stop this inhumane transportation of farmworkers on open trucks and bakkies”.

President of the Black Association of the Agriculture Sector, Nosey Pieterse, said farmworkers were most vulnerable during lockdown.

“The news of this accident really hit us hard. During this time, farmworkers have no access to their unions. They can only make calls, which is not the same as visiting them and seeing how they are in the lockdown.

”We are not there to ensure all necessary equipment they require to protect themselves, such as gloves and masks, are there.



“Unfortunately, this accident has proved they are not protected because there is no physical distancing when a truck is packed with 28 or more people. The government needs to look at this because it seems there is a certain set of rules and regulations and none of them

protects farmworkers.

“We will follow this case and make sure the law takes its course,” said Pieterse.

Women on Farms Project also sent condolences to the families and friends of the workers killed, and also called on the government to introduce and enforce strict provisions for the safe and dignified transport of workers.

Agriculture MEC Ivan Meyer said: “It is with great sadness that I have learnt of the tragic passing of agri workers in a horrific accident on the N1 between De Doorns and Touws River.

“I have dispatched staff from the Western Cape Department of Agriculture to the scene where they will immediately facilitate access to counselling for the families of the deceased and injured.

“They will also determine to what extent the department can assist with funeral arrangements and provide further support.”

8. 370 000 initial job losses are forecast

Early projections by the South African Reserve Bank (Sarb) are that the 21-day lockdown, aimed at curbing the spread of the coronavirus, could see 370 000 job losses and 1 600 businesses being declared insolvent in the country.

That’s the word from Dr Christopher Loewald, a member of the Sarb’s Monetary Policy Committee (MPC), who was speaking during the bank’s bi-annual Monetary Policy Review briefing.

Presenting via a live video broadcast, Loewald said the “growth shock” that the bank anticipates coming from the 21-day shutdown could result in a 2.6% contraction in real gross domestic product “from a purely supply side”. The briefing included Reserve Bank Governor Lesetja Kganyago and other members of the MPC.

“These numbers are very uncertain and move around a lot ... The outcome also depends on how long the shutdown lasts and then on the rate of pick up [by the various sectors] after the shutdown,” Loewald said. “Part of the difficulty with a crisis like this [the global Covid-19 pandemic] is that it’s not just the supply, but also demand-side shocks,” he noted.



“We are also trying to estimate what kind of demand shocks we might get, and two variables here are job losses and business failures.

“For the formal sector, the shock that we see as a possibility is something like 370 000 jobs lost and we’re looking at something like 1 600 businesses that could [be declared] insolvent in 2020. These are big numbers,” he said.

Loewald, however, cautioned that these were “very early numbers” in terms of the Sarb’s forecasting process.

At the start of the briefing, Kganyago also warned that uncertainty around Covid-19 has made forecasting “nightmarish” for the Sarb.

“The Covid-19 pandemic is the biggest disruption to the global economy since the bankruptcy of Lehman Brothers in 2008,” the bank noted in its latest Monetary Policy Review, published to coincide with the briefing on Monday.

The bank, however, added that it has “space to respond” given that inflation is projected to remain under 4.5% this year and is likely to stay within the target range over the medium term.

The review noted that the Covid-19 outbreak severely reduced output in the first quarter.

Moneyweb

The South African Reserve Bank (Sarb) is offering more Covid-19 relief to the country’s banking sector. However, it has asked commercial banks to put a freeze on paying out ordinary dividends or bonuses to executives this year.

The move, announced by the Prudential Authority (PA) of the Sarb on Monday night, comes amid the worsening economic fallout from the global Covid-19 pandemic.

“With the high probability that the impact of Covid-19 will result in heightened stress in the banking system, the PA is issuing a guidance note advising banks not to distribute discretionary ordinary dividends during this period. Similarly, bonuses for senior executives should also be put on hold during this period,” the regulatory authority of the central bank said in a statement.



9. COVID-19: SA on right track to mitigate job losses - expert

A recent African Union study suggests that Africa may lose up to 20 million jobs due to the coronavirus outbreak. Courtesy #DStv403

JOHANNESBURG - A recent African Union study suggests that Africa may lose up to 20 million jobs due to the coronavirus outbreak.

However, Labour Analyst, Jonathan Goldberg says South Africa has taken the right measures to curtail even further damage to the economy.

"The predictions range from 5 to 14% that I've seen in terms of the best and worst-case scenario so the figures range from about 600 000 to 1.8million and it's really about containment.

People say you have to get the economy going but you also have to save lives at the same time.

I think we're on the right track...we've done a very good job and a good job to contain the job losses", he said.

Goldberg says there is a need for a big stimulus package from government to help businesses to save jobs.

10. Unemployment beneficiaries wait while Nedlac discussions progress

Many employers are waiting for greater clarity regarding unemployment benefits for their staff that have been temporarily laid off during the national lockdown, which is being enforced from March 27 to April 16 to curb the spread of Covid-19, according to business law firm Cliffe Dekker Hofmeyr (CDH).

Since the lockdown was announced, there is some uncertainty regarding unemployment benefits that may be payable to workers who have been temporarily laid off.

Consequent to the national lockdown and looming job losses, the UIF and the Department of Employment and Labour (DEL) launched the C19 Temporary Employee/Employer Relief Scheme (TERS) to provide emergency relief to enable employers to pay employees who are temporarily laid off owing to the Covid-19 crisis.



However, confusion remains as to rules and requirements relating to the benefit and what other assistance benefits are available. Communication from DEL suggests that in addition to the TERS there is also a National Disaster Benefit (NDB).

This confusion is compounded by the fact that negotiations are ongoing at the National Economic Development and Labour Council (Nedlac) which may result in amendments or refinements to the scheme.

Each time a new guide is published by the UIF, it appears to override the one before, thereby creating more uncertainty.

However, CDH employment practice director and regional practice head **Gillian Lumb** notes that clarity will be reached soon, and then companies can make an informed decision about which financial assistance package is best suited for their employees, as ultimately, only a single package can be applied for.

While the UIF appears to have the necessary resources available for the scheme, having earmarked R30-billion, there is a concern around its administrative capacity as high numbers of claims are expected.

As such, contrary to the normal practice of workers submitting claims individually, Employment and Labour Minister **Thulas Nxesi** states that UIF benefits will be paid through companies, sectoral associations and bargaining councils.

Lumb says that while there is some uncertainty surrounding who can access the money and the requirements to do so, a good starting point would be for those companies that have registered with the UIF to look into the options provided by the UIF.

She adds that those that are not registered, can still do so, but they will face penalties.

Qualifying criteria extend to those companies that were forced to close during the lockdown, thereby excluding those that have remained open as an essential services provider, notes Lumb. However, she mentioned that, if within an essential service there is a part closure, the question arises whether employees may nonetheless still claim. This aspect will hopefully be clarified in the amended regulations.

Unlike the normal UIF benefit, she says the one applicable during the Covid-19 crisis requires an employer's application and not that of the employee. "The employer will need to provide information pertaining to the company's payroll over the past three months to show the amounts and breakdowns of what employees have actually been earning," says Lumb.

"This [UIF] scheme is also most beneficial for employees on a lower income level, as it is paid on a sliding scale, with salary benefits capped at a maximum of R17 712 /m per employee and an employee will be paid in terms of the income replacement rate sliding scale of 38% and 60%.

"Lower-income employees have a minimum benefit of R3 500," she highlights.



Lumb also states that, critically, there has to be a memorandum of understanding (MoU) agreement between the UIF and employer or relevant bargaining council when it comes to paying out this money because the UIF will not pay out any money until this MoU has been signed.

At the moment, she says there is a generic MoU agreement available from the UIF. In addition to this, some of the bargaining councils have reached an agreement with the UIF which then regulates employers within that bargaining council's ambit," Lumb explains, adding that an MoU still needs to be signed before the UIF will pay out.

The role of the MoU is primarily to regulate how much money goes into an employer's bank account and how it is paid over to employees. "There is proper accounting and auditing done so the UIF can account for the money being paid and to ensure it actually reaches the affected employees / beneficiaries," she says.

Lumb highlights that many employers are not yet using these benefits. "I understand that Business South Africa has advised its members not to apply for the benefit at this stage as these revised rules and requirements pursuant to negotiations going on at Nedlac level". Business South Africa further wants clarity as to whether they can pay part of an employee's salary and the balance to be paid by the UIF as a result of the Covid-19 pandemic.

"I think a lot of people are just waiting to see how this is all going to play out and what the provisions are going to be before they make their decision. Things will become clearer as the Nedlac discussions progress," she says.

"Given the economic conditions that prevail, clarity is required as a matter of extreme urgency," Lumb concludes.

11. UIF applications surges as coronavirus lockdown hammers economy

Durban - There have been about 5 300 applications for the Covid-19 Unemployment Insurance Fund (UIF) Temporary Employer/Employees Relief Scheme (Ters) in KwaZulu-Natal.

This was according to provincial Department of Labour spokesperson Nhlanhla Khumalo.

He said that they were receiving thousands of applications from employers.

"The last we checked it was about 5 300," he said.

Khumalo said that while applications made by companies in distress were still coming in, they have had to deal with employers who were not complying with the Covid-19 regulations when it came to their employees.



He said that recently communication had to be sent by the department to a Phoenix employer who was reported to have been non-compliant with the Covid-19 regulations.

The department intervened after receiving an anonymous tip-off about the employer.

In this case, Khumalo said the employer had refused to pay those who were going to stay at home during the lockdown, agreeing to pay only those who worked.

The employer was said to have disregarded employees who told him about the scheme.

Khumalo said it was important to understand that the fund was there to assist UIF contributors.

“The government has put in place mandatory regulations as announced by the president and echoed by the Employment and Labour Minister recently. The scheme is meant for companies/employers on behalf of employees only,” he explained.

Explaining how the process worked, Khumalo said the employers must email Covid19ters@labour.gov.za and they would be guided accordingly.

Ters is the newly developed coronavirus Temporary Employer/Employee Relief Scheme.

Khumalo stressed that employers had to enforce a lockdown as regulated.

“Those who require financial assistance from the UIF can get information about available funding through this dedicated mailbox (covid19ters@labour.gov.za),” said Khumalo.

He said once the email was received an automated response would be sent detailing the procedure, documents and information required by the fund to process the application.



12. 'I've never been scared to check how business is doing': battle to survive the pandemic

Hairdresser Shaughn Adams says that since the start of the lockdown last month, he has been too afraid to open his laptop to check the turnover of his business.

Adams is the owner of the Image and Hair salon in Observatory, Cape Town, which has been closed since the beginning of the 21-day lockdown announced by President Cyril Ramaphosa.

“In all my 22 years in this business, I have never been scared to check how my business is doing. We all understood the reasons behind the lockdown, but we never anticipated the financial impact. We did not grasp it until it was upon us,” said Adams.

He says 40%-45% of his clientele are international students.

“When the issue of the coronavirus became more serious in early March, mostly in China, I was already losing my international clients because they had to go back to their home countries. As matters became worse, there was an instant roll down. It’s like everything stopped as clients started cancelling their appointments,” said Adams.

Adams has five staff members on his payroll.

He is the chair of the Western Cape division of the employers’ organisation for hairdressing, cosmetology and beauty, and said the organisation offered support and guidance to his staff with their applications to receive help from the Unemployment Insurance Fund (UIF).

Employment and labour minister Thulas Nxesi announced last month that the department would assist affected workers.

“My biggest concern has always been and still is my staff. We are not sure when the UIF will pay out, like the rest of us, they need money to put food on the table,” said Adams.

Adams said he did not disagree with the lockdown, but he was worried about the effect it would have on small businesses and on unemployment. He said he was now looking at his savings to keep his business afloat while it is closed.

He said he is thankful to his landlords, who have lowered the rent for his business premises.



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“That was a big relief. But what about other salons, what about the salons inside malls that have to pay large rentals? I have never been scared like this before. Will things go back to the way they were?”