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EMPLOYMENT

COVID-19 Temporary Employer / Employee Relief Scheme ("TERS") audit pack

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by Jacques van Wyk, Director; Andre van Heerden, Senior Associate; and Thabisa Yantolo, Candidate Attorney

On 27 November 2020 the Department of Employment and Labour ("Department") and the Unemployment Insurance Fund ("UIF") announced that there would be "post-verification exercises" (i.e. audits) conducted on employers who received the TERS benefit on behalf of their employees. These audits will be conducted by audit firms from 1 December 2020 for a period of 6 months.

According to the Department and the UIF, the following documents should be kept readily available, either in hard copy or electronic format, in anticipation of the audit (not an exhaustive list):

1. All documents / information provided to the UIF at the time the application was made and for each lockdown period;
2. Bank statements relating to the application;
3. Each employee's HR file;
4. Payroll report from 1 January 2020 to July 2020;
5. Proof of payment to employees; and
6. Proof of any refunds made to the UIF.

The Department and the UIF advise that the above list is merely the minimum documents required. We therefore recommend that, in addition to the above mentioned documents, employers have the following additional documents readily available:

1. Employer's declaration of employees;
2. Any documentation submitted for bank verification;
3. Any ID copies submitted;
4. Any proof that the business –
   4.1 had been unable to operate, either wholly or in part, as a result of the lockdown regulations;
   4.2 could not make arrangements for vulnerable employees; and/or
   4.3 could not operate due to operational requirements as a result of compliance with the lockdown regulations and / or directions; and
5. Any correspondence with the Department and / or the UIF in an attempt to rectify any errors in the TERS application

The above documents may assist in proving that the business and the employees were entitled to the TERS benefit. If any documents were submitted via email, we advise that a copy of the email/s also be kept readily available.

On 4 December 2020 the Department and UIF published a letter in which they confirmed that auditors will halt the audits on 18 December 2020 and resume on 4 January 2021.

Andre van Heerden

Director

View Profile

Jacques van Wyk

Director

View Profile