

Urgent update: COVID-19 Temporary Employer / Employee Relief Scheme (“TERS”) Update

30 November 2020

3 min read

TERS claims ("Note")

Resubmissions required

On 28 November 2020 the Department of Employment and Labour (“Department”) and the Unemployment Insurance Fund (“UIF”) published a note regarding TERS claims (“Note”) for the period 16 September 2020 to 15 October 2020 (“Period”). In terms of the Note, TERS applications submitted for the Period which did not meet the requirements of the TERS system must be resubmitted. An employer will only have to resubmit the application if the application does not reflect under the ‘Saved Employees’ tab. The applications may be resubmitted by loading a CSV file or capturing the application manually on the TERS portal. Only employers that used the *2020 Submission Confirmation page prior to the new release of the updated TERS system on Wednesday at 10h00* will be affected.

Post-verification exercise

On 27 November 2020 the Department and the UIF informed employers of an upcoming post-verification exercise (“audit”). Employers who have applied for the TERS benefit will be subjected to an audit. The audit will be conducted by audit firms in terms of the “UIF Auditing Powers” clause in the Memorandum of Agreement (which was signed by employers when applying for TERS).

The purpose of the audit is to check the authenticity of the claims made and to verify that the TERS benefit was paid over to the workers. The audit is to take place from 1 December for an envisaged 6 month period. The audit firms will request information relating to the TERS applications and employers are advised to have at least the following information available in either hard or electronic format:

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

The full statement may be accessed at: <http://www.labour.gov.za/uif-appoints-forensic-auditors-to-start-the-follow-the-money-project-for-covid-19-TERS-payments>.

Covid-19 TERS Directive withdrawal

On 27 November 2020 the Minister of Employment and Labour published a Government Notice withdrawing the Covid-19 TERS Directive published on 7 September 2020 (“Notice”). The withdrawal in terms of the Notice will have come into effect on 15 October 2020, despite the date of publication of the Notice.

The full Notice may be accessed at: <http://www.labour.gov.za/DocumentCenter/Regulations%20and%20Notices/Notices/Unemployment%20Insurance%20Fund/Withdrawal%20of%20the%20COVID19%20temporary%20employee%20employer%20relief%20scheme>

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