

Unpacking the UIF Benefit in response to Covid-19

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In the wake of the announcement of the national shutdown, the Minister of Employment and Labour has announced the introduction of measures in response to coronavirus (Covid-19) and its impact on UIF contributors. There has also been the establishment of a Rapid Response Teams to be deployed to each province to assist companies with processing of claims in cases where they have retrenchments of more than 50 employees.



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The Unemployment Insurance Fund will compensate affected workers through its existing Illness and Reduced Work Time benefits.

The Department has published a 'easy aid for Corona benefits' guide. The corona benefits, as with all UIF benefits are only applicable to employers who are registered with UIF and make monthly contributions as required.

In accordance with the "Easy-Aid for Corona" Guide for employers issued by the Department, in the event an employer decides as a direct result of the current Covid-19 pandemic to close their business for a period and send employees home, then the reduced work time benefit may be applied for. As part of the application for the benefit, a letter from the employer confirming the company shutdown or employee's "temporary lay-off" due to the coronavirus must be included. The maximum benefit will be paid as per the benefit structure if the employer makes zero payment to the employee during the shutdown period. However, if payment is made during the shutdown period, then the benefit will be reduced accordingly.

Where a company opts to close for a short period, the employer is requested to inform the Department so that it can dispatch its provincial rapid response team to assist with the application and payment of this benefit type.

Where an employee has been quarantined for 14 days or longer, the Illness Benefit will apply. To apply for the Illness Benefit, a confirmation letter from both the employer and employee must be submitted together with the application as proof that both the employer and employee have agreed to 14 days 'special leave'. In this instance, the letters will stand in place of a medical certificate as it is anticipated that the beneficiary would have self-quarantined without prior consultation with a medical practitioner. Benefits will be paid based on these letters. However, should an employee be quarantined for more than 14 days, a medical certificate from a medical practitioner must be submitted together with the relevant forms.

In the event a UIF contributor passes on from Covid-19, death benefits are paid to the beneficiaries of the deceased. People eligible to apply for the death benefits are the spouse, life partner, children and nominated persons, in that order.

In relation to the Reduced Work Time Benefit, the Illness Benefit and the Death Benefit, the normal rule that for every four days worked the employee accumulated one credit day and maximum credit days payable is 365 for every four completed years will apply.

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