intoSA

Safe and Successful in Africa!

eiNFO

COVID-19 Relief Measurements by South African Government

UIF Relief Measures

SMME Relief Measures

SARS Tax Relief Measures

Version: 30 March 2020

by

intoSA SOUTH AFRICA
Zambezi Estate
Montana
South Africa

Tel: +27 (0)12 9411508 * Fax: +27 (86) 214 2000 * info@into-sa.com
into-sa.com

TABLE OF CONTENT

1. INTRODUCTION 3

2. SARS RELIEF MEASURES 3

2.1. Expansion of the Employment Tax Incentive 3

2.2. Deferral of the payment of employees' tax liability for SME 3

2.3. Deferral of the payment of provisional tax liability for SME 4

3. DEPARTMENT OF LABOUR RELIEF MEASURES 5

3.1. National Disaster Benefit 5

3.2. Reduced work time 5

3.3. Illness Benefits 6

3.4. Death Benefits 6

3.5. How to apply to the UIF 7

3.6. UIF Processing Centres 7

4. GOVERNMENT DOCUMENTS FOR DOWNLOAD 8

5. SERVICES RENDERED BY INTO SA 8

6. CONTACTS FOR INTO SA SOUTH AFRICA 8

1. Introduction

South Africa's President Cyril Ramaphosa announced a national lockdown of 21 days on 23 March 2020, which causes an unparalleled hardship for a lot of small and medium businesses and their business owners.

A variety of government departments have promised to offer relief measures for affected businesses. The first written documents are not available to determine the qualification criteria as well as the extent of the relief measures and they are summarised below.

PLEASE NOTE: The relief programmes will be in constant flux and are often subject to the available funds, hence a timeously submitted application may be key!

2. SARS Relief Measures

2.1. Expansion of the Employment Tax Incentive

Qualification Criteria

→ Any size business
→ Employers that were registered with SARS as at 1 March 2020
→ Employers must be tax compliant

Relief offered

→ For a limited period of four months, beginning 1 April 2020 and ending on 31 July 2020
→ Increasing the maximum amount of ETI claimable during this four month period by ZAR 500 per eligible employee (employees currently earning ETI's)
→ Allowing a monthly ETI claim in the amount of ZAR 500 during this four month period for employees from the ages of:

- ☑ 18 to 29 who are no longer eligible for the ETI as the employer has claimed ETI in respect of those employees for 24 months; and
- ☑ 30 to 65 who are not eligible for the ETI due to their age

→ Accelerating the payment of employment tax incentive reimbursements from twice a year to monthly

2.2. Deferral of the payment of employees' tax liability for SME

Qualification Criteria

→ Small to medium sized businesses – turnover under R50 million
→ Employers must be tax compliant

Relief offered

→ For a limited period of four months, beginning 1 April 2020 and ending on 31 July 2020

→ Deferral of payment of 20 per cent of the PAYE liability, without SARS imposing administrative penalties and interest for the late payment thereof.

→ The deferred PAYE liability must be paid to SARS in equal instalments over the six month period commencing on 1 August 2020, i.e. the first payment must be made on 7 September 2020.

2.3. Deferral of the payment of provisional tax liability for SME

Qualification Criteria

→ Small to medium sized companies – turnover under R50 million

→ Threshold for individuals to be set – possibly R5 million turnover per annum

→ Businesses must be tax compliant

Relief offered

→ Deferral of a portion of the payment of the first and second provisional tax liability to SARS, without SARS imposing administrative penalties and interest for the late payment of the deferred amount

→ The first provisional tax payment due from 1 April 2020 to 30 September 2020 will be based on 15 percent of the estimated total tax liability, while the second provisional tax payment from 1 April 2020 to 31 March 2021 will be based on 65 percent of the estimated total tax liability

→ Provisional taxpayers with deferred payments will be required to pay the full tax liability when making the third provisional tax payment in order to avoid interest charges.

→ The proposed amendments are deemed to have come into operation on 1 April 2020 and apply to first provisional tax periods ending on or after 1 April 2020 but before 1 October 2020 and to second provisional tax periods ending on or after 1 April 2020 but before 1 April 2021.

3. Department of Labour Relief Measures

3.1. National Disaster Benefit

Qualification Criteria

→ Employer must have closed business for lockdown and sent employees home. This is called temporary lay-off.
→ Only if the employer cannot pay their employees for this period
→ Employer is registered with UIF and has paid monthly levies

Relief offered

→ Employees are paid national minimum wage (ZAR 3 500) per month for a maximum of 3 months or until shutdown is over

Documentation required

→ UI19 and UI2.7 (completed by Employer)
→ UI 2.1 (application form)
→ UI 2.8 (bank form completed by the bank)
→ A letter from the Employer confirming company shutdown or employee's "temporary lay-off" is due to the Corona Virus
→ Copy of employee's ID document

PLEASE NOTE: An employer or employee cannot apply for the "National Disaster Benefit" and any other UIF benefit simultaneously.

3.2. Reduced work time

Qualification Criteria

→ Where a Company shuts down for a certain period or implements Reduced or Short Time.
→ Employer is registered with UIF and has paid monthly levies

Relief offered

→ Benefits payable is the difference between what employer pays and normal UIF benefits payable should an employee lose employment.
→ Benefits are capped at 38% of the maximum benefit of ZAR 17 702, thus ZAR 6 730 per employee per month

Documentation required

→ UI19 and UI2.7 (completed by Employer)
→ UI 2.1 (application)
→ UI 2.8 (bank form completed by the bank)
→ A letter from the Employer confirming Reduced Work Time is due to the Corona Virus
→ Copy of ID document.

3.3. Illness Benefits

Qualification Criteria

→ Where an employee has to be quarantined for 14 days
→ Employer is registered with UIF and has paid monthly levies

Relief offered

→ Where an employee has been quarantined for 14 days, Illness Benefit process will apply.
→ Benefits are capped at 38% of the maximum benefit of ZAR 17 702, thus RAR 6 730 per employee per month

Documentation required

→ UI19 and UI2.7 (completed by Employer)
→ UI 2. 2 (a portion of which is completed by the Doctor)
→ UI 2.8 (bank form completed by the bank)
→ Copy of ID document.
→ 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 agree to the 14 days 'special leave'.
→ In this instance the letters will stand in place of the medical certificate as the beneficiary would have self – quarantined without prior consultation with a medical practitioner. Benefits will be paid based on these letters.
→ Should an employee be quarantined for more than 14 days, a medical certificate from a medical practitioner must be submitted together with the Continuation Form UI3.

3.4. Death Benefits

Qualification Criteria

→ Where an employee who has contributed passes on
→ People eligible to apply are a Spouse, Life Partner, Children and nominated persons, in that order
→ Employer is registered with UIF and has paid monthly levies

Relief offered

→ Normal benefits are payable to the eligible person(s)
→ Benefits are capped at 38% of the maximum benefit of ZAR 17 702, thus ZAR 6 730 per employee per month

Documentation required

→ UI19 and UI53 (completed by Employer) → UI 2.5 or UI2.6 (deceased application) → Death Certificate
→ ID of deceased and applicant
→ UI 2.8 (bank form completed by the bank) → Copy of ID document.

3.5. How to apply to the UIF

Forms may be downloaded from **www.labour.gov.za** and the Employers must complete the UI 19 Form stating the last date of termination and the reason thereof. The forms can then be submitted through the following methods:

- Online at: www.ufiling.co.za. (Illness benefits)
- Email the application to the nearest UIF processing Centre. (Illness/ Reduced Work Time/Death benefits)
- Fax / email all other applications to the nearest UIF processing centre

3.6. UIF Processing Centres

Mailbox	Fax to email Number
Germiston.BCP@labour.gov.za	0864397295
Petermari.BCP@labour.gov.za	0864397296
EastLondon.BCP@labour.gov.za	0864397299
Capet.BCP@labour.gov.za	0864397300
George.BCP@labour.gov.za	0864397301
NorthWest.BCP@labour.gov.za	0864397302
Limpopo.BCP@labour.gov.za	0864397303
Mpumalanga.BCP@labour.gov.za	0864397304
Freestate.BCP@labour.gov.za	0864397305
Online.BCP@labour.gov.za	0864397306
Durban.BCP@labour.gov.za	0864397297
Portelizabeth.BCP@labour.gov.za	0864397298
NorthernCape.BCP@labour.gov.za	0864397309
Johannesburg.BCP@labour.gov.za	0864397294
Pretoria.BCP@labour.gov.za	0864397290

4. Government Documents for Download

The original COVID-19 Government Documents can be downloaded from the Into SA Law Server free of charge here:

- ☑ SARS Relief Measures — bit.ly/SARSrelief
- ☑ UIF Benefits — bit.ly/UIFbenefits
- ☑ SMME Relief Scheme — bit.ly/SMMErelief

5. Services rendered by INTO SA

INTO SA South Africa is your experienced partner for any business and our teams of international and multi-lingual immigration specialists offers the following services[1]:

- ☑ Consultation in respect of the appropriate COVID-19 Relief Measure
- ☑ Professional guidance with the necessary documentation and information
- ☑ Tight control of time frames and deadlines
- ☑ Completion of Relief Applications
- ☑ Drafting of Motivation where necessary
- ☑ Drafts of other relevant correspondence and supporting documentation
- ☑ Efficient follow-up during the application process
- ☑ Dialogue with authorities

6. CONTACTS FOR INTO SA South Africa

GROUP

Web: www.into-sa.com
Facebook: www.facebook.com/into.sa.limited
LinkedIn: www.linkedin.com/company/2876527
Twitter: @Into_SA

GAUTENG Division

Phone: +27 (0)12 941 1509
Fax: +27 (0)86 214 2000
Email: gauteng@into-sa.com

CAPE Division

Phone: +27 (0)21 461 3428
Fax: +27 (0)86 214 2000
Email: cape@into-sa.com

Into SA South Africa

30 March 2020

[1] Further services by INTO SA can be found on our website: **www.into-sa.com**