

Employment and Labour Ministry announced extension of covid19 relief payments until August 15 in Budget vote

21 July 2020

The Employment and Labour Ministry today announced an extension to the COVID-19 TERS relief payments that it has provided to ordinary workers in this country to shield them from the worst effects of the pandemic and to ensure that their families are not pulled into abject poverty.

Speaking under the theme Protecting Workers and Jobs in the era of Covid19 at the occasion of Budget 31, the Deputy Minister of Employment and Labour, Ms Boitumelo Moloi announced: "Following due diligence and consultation with the Unemployment Insurance Fund actuaries, and in line with the President's decision to extend the life of the Disaster Management Act until 15th August, we have taken the decision to similarly extend the Covid19 TERS benefit until 15th August 2020."

The benefit structure and existing criteria remain the same. We are considering closing the April, May and June applications at the end of July 2020; all valid applications already received for these two months will be processed. We are in consultations with the social partners at NEDLAC in this regard.

The extension of the relief scheme comes as the UIF has put cash in the hands of workers of some R34-billion in 7.4-million payments while maintaining its normal benefits disbursements which have amounted to R4-billion in 677 000 payments to beneficiaries since March 26, 2020.

During the speech, the DM who spoke on behalf of Minister Thulas Nxesi who is recovering from Covid19 related illness also announced:

The Compensation Fund's stated commitment to consider any claim from workers who contract the virus while at work. The relief provided by the CF comprises:

pay-out for temporary disablement while the worker is in quarantine, self-isolation or hospitalized; payment of medical expenses; and

where, tragically, the illness results in fatality the Fund will pay out survivor benefits to dependents in the form of a monthly pension and funeral benefit.

Public Employment Services, in a joint programme with Higher Education funded by the EU, will purchase 24 mobile units, to operate across all provinces in the quest to taking services to the people, reducing the travel costs of work-seekers, and taking into account the new realities of social

distancing in the era of Covid19. The branch will also streamline and place online its registration processes to make it easier for work-seekers and employers to access services.

As part of a larger project to develop a National Employment Policy, Labour Migration Policy development is being fast-tracked both to address immediate challenges, as in the Road Freight and Logistics sector, as well as to coordinate labour migration policies with the Southern Region and continent wide.

The Inspectorate and Enforcement Services is focused on enforcing Covid19 related Health and Safety directives. It will also prioritize advocacy work to promote compliance with labour legislation in the domestic sector. There will also be renewed focus on implementing Employment Equity Legislation.

The Inspection and Enforcement Services Branch in conjunction with the Compensation Fund had committed to recruit an additional 500 Occupational Health and Safety Inspectors. This process will be largely completed by the end of this month. Vacancies in the existing staff establishment are also being filled, spurred on by the need to increase capacity to enforce new directives to protect workplaces from the spread of the corona virus. Whilst the passage of the Occupational Health and Safety Amendment Bill was stalled by the 2019 elections, the Bill is still very much alive, and has been prioritized for legislation in the current session of Parliament.

The Inspectorate has also worked closely with the CCMA (Council for Conciliation, Mediation and Arbitration) to enforce the National Minimum Wage. Some 4,300 non-compliant employers were referred to the CCMA resulting in the recovery of R20 million in short payments to workers.

The UIF is revamping its Call Centre to better respond to clients' queries. Moreover, a UIF App and USSD service are being developed to go live in August. These are the lessons we have learnt from the Covid19 Ters benefits model, which we will now customize and apply to normal UIF benefits.

The Compensation Fund is also focused on strengthening its online application system in advance of a possible uptick in claims. To date, 2066 claims have been lodged.

In addition, during the lockdown:

Over 20,000 claims were registered in CompEasy by employers;

146,000 medical invoices were processed;

R 921 million was paid to healthcare practitioners for the period 01 April 2020 to 13 July 2020;

R15 million was paid in total temporary disablement benefits to beneficiaries; and

R276 million was paid to the 24,000 pension beneficiaries of the Fund.

The CF has prioritized the Rehabilitation and Return to Work programme, underpinned by proposed amendments to the COIDA (Compensation for Occupational Injuries and Diseases Act).

Deputy Minister Moloi also committed the department to working with all stakeholders like NEDLAC in facilitating engagement of the social partners to prioritize the commitments of the Jobs Summit to refocus on growth and jobs. This supports government's plans for economic reconstruction and calls for a national debate on the way forward.

The department, through its entities, has to date committed, R2, 3 billion resulting in nearly 10,000 sustained jobs. The Fund has also, jointly with the UIF, committed to invest R1.4 billion in the SME Fund, of which an initial R400 million investment has been made. This is to provide venture capital to support small businesses in creating jobs.

The UIF, as part of the October 2018 Jobs Summit commitments has refocused its Labour Activation Programmes on direct support to distressed companies to preserve jobs via the TERS programme (Temporary Employer/Employee Relief Scheme) and by supporting training that is directly tied to employment. In 2019/20, 33 companies were supported, at a cost of R120 million, directly saving 4,000 jobs. The Fund also preserves and creates employment through its Enterprise Development programme, High Social Impact Fund and Partnership Development Programme, which supports start-ups.

The UIF is also committed to implementing its Section 5D obligations under the UI Act (as amended). It will set aside 10% of its assets to support Labour Activation Programmes in support of jobs and training geared to the needs of the labour market. The UIF has committed R394 million to funding training for 26,000 learners, 50% of which will be youth and women.

To assist vulnerable workers to report under-payment, the Minister this year launched the Impimpa Hotline. It is estimated that some 6 million, mostly vulnerable and unorganized workers, have benefited from the implementation of this measure. The National Minimum Wage Commission will publish a full report this year on its impact in relation to employment, poverty and inequality. This will inform any amendment to the minimum rate for 2021. In the meantime, the minimum wage was increased this year in line with CPI (Cost Price Index).

The department has urged all socially responsible employers, organized labour, health and safety committees and individual workers to work with the Inspectorate to maximize the impact.

"In this respect, our capacity is also strengthened by joint inspections with other departments e.g. Agriculture, Home Affairs, SAPS and Transport depending on the companies we visit," said Deputy Minister Moloi.

The CCMA continues to serve a critical role in stabilizing labour relations, advancing employment security and promoting labour market stability. In 2019/20, the Council experienced a 16% increase in case load, largely as a result of the introduction of the National Minimum Wage Act and amendments to the BCEA (Basic Conditions of Employment Act) in January 2019. This has placed great strain on the organization, exacerbated by budget constraints. Over the same period, engagement with parties saved the jobs of 42% of employees facing retrenchment under section 189A referrals. The Council has responded creatively to the current Covid19 constraints by utilizing virtual hearings and going to the clients to hold hearings at employers' premises.

Recognising the slow pace of transformation in the workplace for blacks, women and people with disabilities, Cabinet approved the Employment Equity Amendment Bill, 2019 in February 2020. The Bill empowers the Minister of Employment and Labour to regulate sector specific Employment Equity numerical targets, and to prescribe criteria for the issuing of an Employment Equity Certificate of Compliance as a prerequisite for accessing state contracts.

The Department has developed a Code of Good Practice on the Prevention and Elimination of Violence and Harassment in the workplace, which will go for public comment. This is in line with International Labour Organization.

"The Department provides subsidies to support ten organisations of people living with disabilities, which employ 950 workers with disabilities. We also have 13 factories providing employment to 1,150 workers with disabilities under the Supported Employment Enterprises programme, which produce high quality furniture and linen and now PPE products. We have an obligation to support them, as government structures, at all levels, as well as the private sector," she said.

Last Friday, Productivity South Africa presented findings indicating that South Africa's global competitiveness ranking had fallen from position 56 in 2019 to 59th in 2020.

"As a country, we need to appreciate that this poor performance is what underpins our fundamental crisis of unemployment, poverty and inequality. We are determined to work through Productivity SA to advocate a culture of productivity and competitiveness," Deputy Minister Moloï said.

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"Please continue to adhere to the lockdown regulations. Stay home, wear your mask, wash your hands regularly and keep maintaining the social distance."

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