

# TERS to be extended until end of National State of Disaster

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The Minister of Employment and Labour has announced the extension of the Covid-19 Temporary Employer-Employee Relief Scheme (TERS) benefits until the end of the national state of disaster. This announcement was confirmed in a notice published in the government gazette. This is an encouraging announcement; however, the Department of Employment and Labour (DEL) must still confirm whether it will be able to fund such an extension.



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The Unemployment Insurance Fund (UIF) will continue to receive new TERS applications for the March – September 2020 periods. The new closing dates are as follows:

Application month(s)	Closing date
March - May 2020	25 September 2020
June 2020	15 October 2020
July - 15 September 2020	30 October 2020

No further applications will be accepted for these application month(s) after the relevant closing dates.

The extension of Covid-19 TERS benefits follows the release of a report on TERS by the Auditor-General of South Africa (AGSA). The report deals with the findings of the AGSA on the audited TERS claims for April and May amounting to ZAR 28 billion. The findings in the report point to a lack of verification and controls in the processing of TERS claims.

## The findings in the AGSA report, as reported by the media, reveal that:

- Over R140 million was paid to applicants who had already received benefits from other state institutions (e.g. students who received stipends from the National Student Financial Aid Scheme)
- There was over R10 million in overpayments based on incorrect calculations used in the early versions of the TERS system
- About R685 million was paid to foreigners whose employers had not paid UIF contributions in the last 12 months

- Almost R170,000 was paid to individuals indicated as being in prison
- Over R400,000 was paid to deceased individuals
- Over R30 million was paid to employees with invalid identity numbers
- About R200,000 was paid to employees below the legal working age of 15 years old

Following the report, TERS payments for new and outstanding applications are temporarily suspended. Senior officials (including Commissioner Teboho Maruping) at the UIF have also been suspended. The DEL has seconded its chief operating officer, Marsha Bronkhorst, to the UIF as Acting Commissioner.

The temporary suspension is underway to assist the DEL and the UIF to address the relevant concerns and to ensure that proper controls are in place before any further TERS payments are made.

## ABOUT THE AUTHOR

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