

Employers and Financial Relief



For a brief overview of the opinion: [CLICK HERE](#)

On 21 April 2020 President Cyril Ramaphosa addressed the nation on matters related to the lockdown experienced in South Africa and its effect on the economy. He also introduced measures to assist the economy on various fronts with the intention to mitigate the Covid-19 pandemic's fallout.

As vital role-players in South African society, schools are by no means excluded from any measures addressed. Schools are severely affected by the economic restraints experienced by South Africa as a whole; although education is not regarded as an essential service, it is nevertheless a service with long-term implications if concerns are not addressed.

This document is intended to provide schools with information currently available in order to assist them in making governance and management decisions to ensure the longevity and continued efficiency of the school. Some of the measures and relief announced by the President has not yet been published in the Government Gazette; we will update our members on any regulations or legislation as it becomes available.

The table below includes chronological excerpts from the President Ramaphosa's address with recommendations for schools:

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President's Address	Recommendation:
<p>“The measures included tax relief, the release of disaster relief funds, emergency procurement, wage support through the UIF and funding to small businesses”;</p>	<p>Although UIF has undergone criticism regarding its effectiveness, the Covid19TERS scheme has been remarkably effective with R1,6 billion having been paid out to beneficiaries since its inception.</p> <p>The President has allocated an additional R40 billion to provide further relief.</p> <p>The intent of the Covid19TERS scheme is to provide relief to employees who have been particularly affected by Covid-19. Employers who are unable to conduct their ordinary businesses are allowed to institute claims on behalf of employees who are unable to perform their duties, who have to be placed on leave or who have been temporarily dismissed.</p> <p>These payments are calculated in the same way as ordinary UIF-claims.</p> <p>For assistance regarding Covid19TERS claims, send an email to Covid19TersSupport@labour.gov.za or phone 0800 030 007.</p>

“We have met with business, labour and the community constituency in NEDLAC”.

It is important to note that employers are the individuals responsible to lodge claims. This means that governing bodies, as employers, ought to lodge claims on behalf of those staff members in their employ. Additionally, employers employing employees with a salary less than R6500 per month can apply for a wage subsidy of R750 per employee. This means this amount can be deducted from income tax that would have been paid over to SARS

NEDLAC is the body responsible for consultations surrounding amendments and alterations to labour legislation and related affairs. Whenever decisions are made in this regard, NEDLAC is presumed to have consulted and advised government with the most suitable course of action.

NEDLAC is frequently involved in discussions with the various unions. Staff should therefore rest assured knowing that, although the decisions taken were hasty, various role-players bearing their best interests have been involved in the consultation process.

“If we are to successfully manage the anticipated surge in cases and ensure that everyone who needs treatment receives it, we must provide for additional expenditure on personal protective equipment for health workers, **community screening**, an increase in testing capacity, additional beds in field hospitals, ventilators, medicine and staffing”.

“Additional funding of R20 billion will therefore be made available to municipalities for the provision of emergency water supply, increased sanitisation of public transport and facilities, and providing food and shelter for the homeless”.

“While we have put in place measures to protect the wages of workers in the formal economy and have extended support to small, medium and micro-sized businesses, millions of South

Schools are central to many communities and perform vital communal functions. It is to be anticipated by staff and the governing body that many of the aspects mentioned by the President will find particular application in schools, particularly with regards to community screening and testing for infected staff and learners. We will continuously update our members regarding any developments in this regard.

All public facilities, including public schools, are to be supplied with adequate sanitation solutions. If schools do not have access to water, the municipality ought to supply fresh, clean water on a regular basis, as money has specifically been set aside for this purpose. We will keep our members updated regarding any developments in this regard

Schools are encouraged by the Schools Act, through section 36(1), to garner additional funds in order to assist them in providing quality education to learners.

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Africans in the informal economy and those without employment are struggling to survive.”

One of the ways in doing this is to run a tuck shop on the school’s premises.

According to Schedule One of the National Small Enterprise Act 102 of 1996, a small enterprise under the retail sector would employ between 11 and 50 employees, while generating a total annual turnover of less than R25 million. A microenterprise employs up to 10 employees and generates less than R7.5 million annually. If tuck shops correspond with these definitions, then schools would be eligible to benefit from government assistance.

Enterprises, such as a tuck shop, registered for VAT, with a turnover of less than R1 Million, would be able to submit monthly returns as soon as May 2020, as opposed to submitting every second month.

For assistance in applying for aid, please contact the Department of Small Business Development’s call center at 0860 663 7867. The call centre is available from 8:00 – 22:00 on weekdays

“R40 billion has been set aside for income support payments for workers whose employers are not able to pay their wages”.

and 8:00-14:00 on weekends and public holidays.

Governing bodies are encouraged to apply for relief to the Covid19TERS fund, as explained above. Members will be updated on any developments in this regard.

PAYE payments are also affected. Retention of 20% of PAYE payments were authorised in the beginning of April. The President raised this amount to 35%.

“We will therefore be introducing a R200 billion loan guarantee scheme in partnership with the major banks, the National Treasury and the South African Reserve Bank”. “This will assist enterprises with operational costs, such as salaries, rent and the payment of Suppliers”.

This loan guarantee means government will guarantee loans made by entities to cover salaries, rent and the payment of suppliers in association with banks in South Africa, National Treasury and the Reserve Bank.

Banks will reportedly roll out models by the end of the month. We will update our members accordingly.

<p>“Government is also working on additional support measures for vulnerable and affected sectors like the taxi industry”.</p>	<p>No information has as yet been made available as to how these loans can be applied for, or whether schools will be eligible. What is known at this stage is that interest will be charged at the prime interest rate prime lending rate of 8.75% per annum (as of March 2020). It is estimated that repayments will only become due within 6 months. We will update our members on any developments in this regard.</p> <p>Education is an ‘affected’ sector and we are corresponding closely with the Department of Education regarding all matters related to education in order to ensure optimal operation when the lockdown is lifted and life resumes a semblance of normality. We will continually update our members on any new developments.</p>
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