

Questions surrounding the Covid-19 Ters scheme extension

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The President has announced the Ters benefit will be extended to 15 March 2021 for certain sectors but there are unanswered questions over aspects of the extension.



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In the recent State of the Nation Address, President Cyril Ramaphosa announced that Ters will be extended to 15 March 2021. This is despite the previous announcements by the Department of Employment and Labour that Ters would not be extended beyond the last application period (16 September – 15 October 2020).

The President announced that the extension will only apply to specific sectors that were not allowed to operate due to the lockdown restrictions. The National Economic Development and Labour Council has been tasked with identifying these sectors and they should be announced soon. In the meantime, the Unemployment Insurance Fund (UIF) has indicated that the extension will apply to the following sectors:

- Tourism
- Hospitality
- Liquor

Employees within those sectors should be able to apply for Ters benefits for the extended period. However, since the last application period ended in October last year, various questions will need to be answered before the extension can be rolled out. For example:

- Will it be possible for qualifying employees to apply for the full application period (i.e. 16 October 2020 – 15 March 2021) or will there be separate application periods?
- How will the UIF deal with applications made by qualifying employees for other UIF benefits (e.g. the Reduced Work Time Benefit) in the interim?
- Is the UIF able to reconcile its ordinary benefits system with the Ters application system to ensure that there is no "double dipping" by qualifying employees?

- Will there be any scope for employees in other sectors, who could not work due to lockdown restrictions, to apply for Ters?
- While the extension is good news for qualifying employees in specific sectors, it is still unclear how the UIF intends administering further Ters claims, especially where they have major processing capacity constraints and there are many outstanding Ters payments for previous application periods.

This is a developing story, and we will keep you updated once further details on the extension of Ters have been announced.

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