

## NAVIGATING COVID19

### SMME RELIEF MEASURES AT AT 26TH MARCH 2020

This communication and the one's to follow will serve as a resource on the various measures put in place surrounding the COVID-19 pandemic. We will update you on various issues which will assist in obtaining relief and giving insight into the current situation we are all faced with.

#### SMME RELIEF MEASURES

Fund set up by Department of Small Business Development. This is intended to provide relief to SMMEs and their employees.

##### What to do now:

Immediately register on <https://smmesa.gov.za/>

This site has not been very well thought out and has its challenges; some tips:

- Be aware that the site is busy, please keep trying
- Don't use R as the money symbol, insert only the numbers.
- "CSD" means Central Supplier Database
- For the last two sub-categories, select any category

Make sure you have the following information on hand to complete the one-page submission:

- Company registration, UIF, Income tax, and VAT numbers
- Turnover amount
- Shareholder name & percentage
- Employee numbers & demographics

By registering on this site SMMEs will be eligible for assistance of up to R500 000 as a once off payment, depending on requirements. (The T&C's and payment amount are as at this time; it may change given the unpredictable circumstances and the increase in demand for assistance) This is a loan facility at an interest rate of Prime less 5% pagiven to SMMEs by the Dept of Small Business Development. Some of the content published about this website is incorrect. For instance, it is not only black owned companies that can apply for this assistance. The minister has confirmed that this assistance is available to all South African Small Businesses. These are the preliminary requirements published by SEFA & SEDA:

[https://www.gov.za/sites/default/files/gcis\\_documents/SMME%20Debt%20Relief%20Scheme.pdf](https://www.gov.za/sites/default/files/gcis_documents/SMME%20Debt%20Relief%20Scheme.pdf)

You will see in the above web link that communication will be sent by SBDA on the 2nd of April 2020 to those SMME's who have registered on the site. It is imperative to register on the site as the T&C's and conditions for payment may change to accommodate previously excluded SMME's or modified policy. Mention has been made in the address by President Ramaphosa that there will be two phases to this project; firstly to assist those tax compliant companies that qualify in respect of the current guidelines; and the second phase is to address those companies that don't qualify.

#### COVID-19 TEMPORARY EMPLOYER-EMPLOYEE RELIEF SCHEME (COVID19TERS)

The Department of Labour has created a special benefit under the Unemployment Insurance Fund (UIF) as per the Temporary Employer Relief Scheme (TERS). The new COVID-19 Temporary Employer/Employee Relief Scheme (COVID19TERS) is a scheme established to compensate employees who have lost income due to COVID19. This benefit shall be delinked from the UIF's normal benefits. It is an application process and a committee will decide on the outcome of the application. We don't see this access to funding being quick or guaranteed.

TERS allowances are payable monthly to each participating employee subject to a maximum of R17,242.00

There will be a post monitoring program by the Department of Employment and Labour.

<http://www.labour.gov.za/easy-guide-for-employers-on-covid19>

The guidelines and links are available at the site above.

## NATIONAL DISASTER BENEFIT

The Unemployment Insurance Fund will compensate affected workers through a National Disaster Benefit. This National Disaster Benefit and any other normal UIF benefit is only applicable to employers who are registered with UIF and make monthly contributions as required by the Contributions Act of 2002. This benefit will be at a flat rate equal to the minimum wage (R3 500) per employee for the duration of the shutdown or a maximum period of three months, whichever period is the shortest. This benefit will be de-linked from the UIF's normal benefit structure.

<https://www.labourguide.co.za/workshop/1779-corona-virus-easy-aid-uif/file>

The guidelines and links are available at the site above.

## COMPENSATION FUND

The Department of Labour and Health has confirmed that employees who fall ill through exposure at the workplace, will be paid through the Compensation Fund. See attached Government Notice.

<https://www.labourguide.co.za/workshop/1778-notice-on-compensation-for-occupationally-acquired-corona-virus-under-coida-amended-act/file>

## TAX SUBSIDY

- A tax subsidy of up to R500 per month for the next four months for private sector employees earning below R6500 under the Employment Tax Incentive.
- Relief for tax compliant business with a turnover of less than R50 million, in the form of the delay payment of:
  - 20% of the PAYE liability over the next four months; and
  - A portion of their provisional corporate income tax payments without any penalties and interest over the next six months
- Temporary reduction of employer/employee UIF contributions and employer contributions to SDL are being explored

## THE INDUSTRIAL DEVELOPMENT CORPORATION (IDC)

IDC have put together a package together with the Department of Trade, Industry and Competition of more than R3 billion for industrial funding.

## THE DEPARTMENT OF TOURISM

An additional R200 million has been made available by the Department of Tourism to assist SME's in the tourism and hospitality sector.

## SOLIDARITY FUND

A Solidarity Fund has been established to which businesses and individuals and members of the international community can contribute to support Government in the fight against COVID-19. Seed capital is R150 million has been provided by the Government.

[www.solidarityfund.co.za](http://www.solidarityfund.co.za)

*More detail on other matters to follow..... keep safe !*

Disclaimer: Although SIR Group pays maximum attention to checking and verification, it cannot guarantee the accuracy or completeness of the information provided. This information may be changed at any time without warning. We are reliant on government departments for most of the information and they in certain instances change their position or report incorrectly. We encourage you to verify any of the information above before acting on it.

## CONTACT