# EMPLOYMENT LAW ALERT

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# Skip the middleman: Extended COVID-19 TERS relief

This alert follows the publication of a series of alerts from CDH on the extended TERS benefits. Our most recent alert was issued on <u>17 May 2021</u>, and this alert should be read with it.

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INCORPORATING KIETI LAW LLP, KENYA In terms of clause 2.5 of the direction, payments will be made directly into the bank accounts of employees and not, as has happened before, through their employers.

# Skip the middleman: Extended COVID-19 TERS relief

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On 16 July 2021, the Minister of Employment and Labour approved the direction that paves the way for the Unemployment Insurance Fund (UIF) to start paying COVID-19 Temporary Employer-Employee Relief Scheme (TERS) benefits directly to workers.

This third phase will include the following employees:

- Workers who have not been able to work from 16 March 2021 due to Alert Level 1, 2 and 3 restrictions preventing gatherings of a certain number of people, such as those in the entertainment industry.
- Workers who were or are still impacted by the Alert Level 4 restrictions which commenced on 28 June 2021.
- Workers who have not been able to work due to the fact that they are over 60 or have co-morbidities, including those who have had to isolate or go into quarantine.

There is, however, a twist. In terms of clause 2.5 of the direction, payments will be made directly into the bank accounts of employees and not, as has happened before, through their employers. However, employers, in terms of clause 3 are still expected to claim on their employees' behalf.

The UIF Commissioner retains the discretion to decide whether payments should be made directly to an employer as the UIF is mindful of instances where payments directly into the accounts of employees may be difficult. However, this discretion will only be applied if good cause is shown and the employer provides sufficient proof. This includes employers who have paid their employees in advance and can provide proof of these payments.

This direction applies to a limited number of sectors.

The application process and the information or documents required are the same as for the previous extensions, except in respect of the processing of payments directly into employees' accounts. The UIF Commissioner stressed the importance of employers providing valid and accurate details of their employees, including identity document numbers and bank account information.

Although payments are now made directly to an employee, this does not eliminate an employer's obligation to make a claim on behalf of its employees, and to ensure that all the supporting documents accompany such a claim.

These directives have a retrospective effect, commencing from 19 July 2021, and will remain in operation until 25 July 2021. The payments will then be made from 26 July 2021 onwards.

Anli Bezuidenhout and Dylan Bouchier

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