

Circular 7 of 2020

20 March 2020

Dear Client,

**RE: UIF – RIGHTS TO BENEFITS**

In terms of section 12 of the Unemployment Insurance Act 63 of 2001 section (1B) amended as follows:

***Amendment of section 12 of Act 63 of 2001 4. Section 12 of the principal Act is hereby amended— (a) by the insertion after subsection (1A) of the following subsection: “(1B) A contributor employed in any sector who loses his or her income due to reduced working time, despite still being employed, is entitled to benefits if the contributor’s total income falls below the benefit level that the contributor would have received if he or she had become wholly unemployed, subject to that contributor having enough credits.”***

This will allow employees that is placed on short time whose income fall below the benefit the employee would have received if they would have been unemployed to claim UIF benefits.

Be advised that the documents attached hereto must be completed and submitted to the Department of Labour offices.

1. Unemployment Insurance Fund remuneration received by the employee whilst still in employment – UI2.7 form
2. Department of Labour Salary Schedule Form

Directors  
Mr. AE Steyn; Mr. C Swanepoel (LLB)  
APPROVED MEMBER OF AHI EMPLOYERS ORGANISATION Reg. Nr. Ref No. LR2/6/3/475  
Offices in  
Cape Town - East London – Upington – Kimberley – Helderberg (Somerset West / Gordons Bay) – Johannesburg – Bloemfontein  
Klerksdorp – Centurion – Pretoria – Pretoria East - Greytown – Hoopstad – Christiana – Robertson – Hermanus - Vryburg

Be advised the new amendments refers to the reduced working hours and still being employed. Nothing mentioned in the Act refers to full layoff and at this stage we await the Department of Labour's instructions in this regard.

Should you need any additional advice or clarity please feel free to contact your Joblaw office.

Kind regards

**Carlo Swanepoel**  
**Chief Executive Officer**

Directors

Mr. AE Steyn; Mr. C Swanepoel (LLB)

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