

Tshifhiwa Tshivhengwa  
**Chief Executive Officer**  
**Tourism Business Council of South Africa (TBCSA)**



9 May 2020

Dear Tshifhiwa,

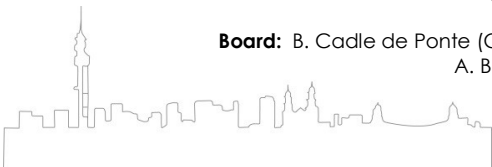
Despite our letter dated 24 April 2020 (attached) business owners are still experiencing grave challenges with the UIF TERS process communication. Staff, who are receiving payments, and are not receiving communication from the UIF, are suffering greatly.

We kindly request the assistance of TBCSA with bringing the following to the attention of the Unemployment Fund Commissioner for urgent action:

The members of the Tshwane Tourism Association (TTA) are exceptionally grateful for the TERS process implemented to financially assist persons who are not able to work during the national lock-down. The Department of Labour UIF department, and the commendable way that they have implemented the TERS system, and made so many payments in such a short period, is widely praised and admired by members of the TTA who are grateful. There remain, however, key communication challenges, which are not being addressed and are causing tremendous friction and discontent between UIF, business owners and the workforce.

We have compiled the following summary of issues raised by our members for the attention of the Department of Labour regarding the UIF and TERS system:

There are members who submitted claims in March who have not been paid out yet, some that have been partially paid out, some were paid out last month, but have not been paid out this month etc. There is no consistency with the pay-outs that point to any understandable cause for the claims that are not paid out.

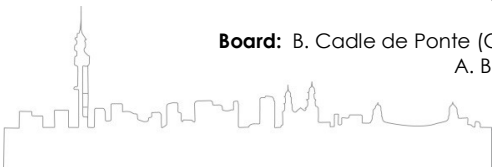


The situation for business owners and their staff is becoming dire, with no cash flow and with the limited amount of loans being granted, people are going hungry. Some employers have resorted to using the little bit of cash that they have left to buy their employees food hampers but with no ongoing income this is not sustainable. One employer stated, "I have received messages asserting that some employees and their families had not been able to eat for 3 or more days". Added to this, there is confusion on the employee level about who is responsible. Employees, particularly those that do not have an in-depth understanding of the UIF process and how UIF is being affected by the large influx in claims due to Covid 19, are blaming the employers, with allegations that they are withholding funds that they believe have been paid out. Threats alluding that employees are going to take things into their own hands against their employers to get their money are common.

To complicate the matter further, when there are pay-outs that only accommodate some of the staff members, this again is being blamed on the employers.

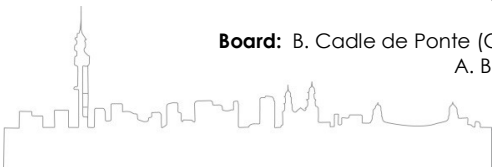
There are some common trends in the feedback we have received from business owners:

- There seems to be an integration error between the online application site and UIF as well as UIF via SARS, in that people who have already registered claims for their employees for UIF, and who have not yet been paid out are being told by members that work for UIF that their applications are not showing up on their side. Yet when the employers try to resubmit their claims as instructed by the UIF member, an error which reads "ID number already registered" pops up, preventing the application from going any further. Essentially this means that UIF can't see their application, yet the employer cannot resubmit, and they are not receiving any pay-outs as a result.
- There are also a large amount of people who are paying UIF through SARS that are having major issues. It appears that SARS is not linked to U-filing, resulting in cross reference issues when it comes to who has and has not been paid. To complicate things further, it seems that the UIF system is outdated, and that SARS has to update the UIF platform as they process claims, meaning that they are having to play catch-up with a system that is already under huge strain.
- Employers have been kept up to date with the application procedure changes and have followed the most recent application process as prescribed, yet are still experiencing all the issues described herein (most employers have had to submit up to four times).



- There have been multiple accounts of pay-outs that have been received from UIF, but which have excluded pay-outs for the foreign national employees, even those that have all their legal paperwork in order, and who have been paying UIF, some for many years. Although there are many cases in which multiple staff members, both national and foreign national,s have not been paid out, there are far more instances where it is the foreign nationals that are not being paid. It must be noted that there is a very large number of foreign nationals working for the tourism industry in South Africa, they were granted permits by the South African government.
- Employers are starting to fear for their safety with an increasingly agitated crowd of employees who are blaming the employers for non-payments of UIF, and employers do not know what to tell their employees anymore. Many people have suggested some form of media release or statement acknowledging the issues, and verifying that the issue is with the UIF and not the employers themselves. Something that they can share with their employees to keep their trust and to reassure them.
- Employers are trying their best to get answers from the UIF by phone and emails, but are not receiving response, and questions are avoided. No explanations are provided for lack of payment, or why only partial payments have been made.
- Employers are becoming reluctant to continue to pay UIF considering the fact that their claims are not being settled. Employers are sour as they have been diligently paying UIF since their businesses inception, and now that it comes to claims, UIF is not able to assist them efficiently – although we acknowledge the unforeseen scale of this problem **communication is key to the solution**. Communication **from UIF to the workers** is lacking.

We acknowledge and applaud the UIF for their excellent efforts. We do however, respectfully request, that **the UIF make improved efforts to communicate challenges and clarify part-payments and system issues to the public – most importantly reaching the workers**. Whilst the introduction of a downloadable list of companies that have been paid the list contains names of companies that have been paid only in part. The unintended consequence of this well-intentioned communication tool is that workers see the name of their employer on the list and assume that their employer has received full payment and do not understand why they have not received payment from their employer. Perhaps a system where workers can enter their ID or Passport number and receive feedback on their own UIF payment directly would be a solution.



Your kind consideration in communicating the above to senior decision makers within the Department of Labour is much appreciated in advance.

Kind regards



**Bronwen Cadle de Ponte**

**Chairperson: Tshwane Tourism Association**

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