



GUARDIAN EMPLOYERS ORGANISATION

LR2/6/3/316

Assisting Employers in Labour Law

17 Cycad House, First Floor, Constantia Office Park
Weltevredenpark, Roodepoort, 1709
PO BOX 731634
Fairland, 2030
Tel: 0861 436 436
Fax: 0861 436 392
HOTLINE: 079 582 3633
Email: geo@geo.org.za
Web: www.geo.org.za

STRATEGY IN RESPONSE TO COVID-19 LOCK-DOWN 26 MARCH TO 16 APRIL 2020

1. The South African Government has taken the unprecedented step to order the lock-down of businesses from Thursday 26 March until 16 April 2020. This is a drastic step which will impact all South Africans and others living within our borders.
2. The death toll from the corona virus continues to rise with Italy being the hardest hit reporting the deaths of 651 people in one day and a total of 5 476 dead from the virus (24/03/20). The Italians blame inaction regarding the restriction of movement and failure to recognise the seriousness of the pandemic for the predicament they now face.
3. The measures announced by the President on Monday evening was decided upon by Government after extensive deliberations with business, sporting, cultural and religious leaders.
4. It is a bold move aimed at restricting the movement of people and in so doing preventing the further spread of the pandemic. The object is to flatten the infection curve so that our medical authorities are able to manage the pandemic both in terms of testing for the virus and the treatment of people who fall ill.
5. With the exception of those employees who are able to work from home, and those involved in essential services, all employees must stay at home from 26 March to 16 April 2020. This is effectively a forced lock-down over which employers have no choice.
6. The President has given an undertaking that certain measures will be implemented to soften the blow for employers and employees alike. These include payment of UIF benefits to employees who are laid off as a result of the lock-down.
7. Some businesses can afford to grant special paid leave to employees for the three-week period of the lock-down, however, others might not be in the same position. Many were in financial distress before this crisis and some will no doubt be forced to close their doors as a result of the crisis.
8. For businesses that cannot afford to grant paid leave during the shut-down period, the following strategy is recommended:
 - 8.1. The employer should brief employees on the virus and preventative hygiene measures (if this has not already been done).
 - 8.2. The employer should assist employees by making on-line applications on their behalf to claim UIF benefits from the Department of Labour as announced by the President. This will be done through a specially created fund, the National Disaster Benefit. The following documents need to be submitted:
 - Forms UI19 and UI2.7 (completed by employer)
 - UI 2.1 (application)
 - UI 2.8 (bank form completed by the employee's bank);
 - Letter from the employer, confirming reduced work time due to the Coronavirus;

- Copy of the employee's ID document.
- 8.3. The employer prepares a letter to employees advising them that the business will close for the period of the lock-down and inviting them to make representations on how best to ameliorate their financial situation. (see Annexure A).
- 8.4. It is important that management shows empathy and reasonability and must additionally consult with employees as per the above letter (per 8.3). In doing this, the employer should remind employees to contact banks and any other parties to whom they owe money to advise them that they will be unable to make their repayments due to their loss of income/reduction of income during the lock-down.
- 8.5. This should be done in small groups ensuring the recommended social distancing.
- 8.6. It is important to hear them out and to give serious considerations to their proposals.
- 8.7. Options for consideration could include:
 - Employees take annual leave;
 - Employees take a percentage pay cut (e.g. 30% or 50% depending on whether this is affordable to the business– it might not be);
 - Employees agree to work overtime after the lock-down to catch up on lost production and this be offset against advance payment of remuneration during the lock-down (if feasible);
 - Employees are laid off for the period without pay and application for UIF benefits are made on their behalf.
- 8.8. As in all matters, if a trade union is involved, consultations should take place with the union (who might take a different and possibly adversarial approach). There is, however, very little time to arrange such meetings and it is doubtful that a trade union would agree to an urgent meeting. If necessary invite the union to make urgent written submissions.
- 8.9. A record (paper trail) must be kept of all interactions, meetings, documents etc. dealing with the lock-down.
- 8.10. If consensus cannot be achieved, the employer will have little option but to declare a lay-off and notify the Department of Labour accordingly. In such event, for the period of the lock-down the principle of no-work, no-pay shall apply.

Should you have any further questions, please feel free to forward same to the author or any other official of the Guardian Employers Organisation on 0861436436.

Best Regards

Andre Rabe

With special thanks to Bruno Bruniquel for drafting this guideline.