

**IT IS GOING TO BE HARD, BUT WE CAN DO IT..**

**#LOCKDOWN2020**



# COVID 19

CORONAVIRUS

- **ANNOUNCING THE NEW CHAIR AND BOARD MEMBERS**
- **EMBRACING NEW TECH TO COMMUNICATE DURING COVID-19**
- **FAQS TO ASSIST STAKEHOLDERS**
- **DISCRETIONARY GRANT WINDOW EXTENDED TO 30 JUNE 2020**
- **FURTHER TAX MEASURES TO COMBAT THE COVID-19 PANDEMIC**

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# MESSAGE FROM THE CEO



## **Covid-19 Lockdown and the INSETA commitment to communication**

**Tumultuous times call for innovation. Whilst in lockdown the INSETA continues to operate by embracing communication technology, enabling us to connect remotely and continue with our work on behalf of stakeholders.**

We welcome our new Board Chairperson Mr Sihle Joel Ngubane and new members of the board who are working with us in closely monitoring the COVID-19 developments and determining measures to help minimize the impact on our operations.

We assure our stakeholders that they will continue to have access to our services enabling them to carry on with their work and study. Business continuity and the health of our stakeholders and employees, remain our primary concerns.

One of the proudest moments for INSETA has been the swift shift to work-at-home (WAH) for many of our staff. Leveraging the technology and management systems we had in place, we transitioned nearly half our workforce to WAH within a matter of days. Another achievement was the first successful online induction of our new board and we have plans in place to extend our use of digital platforms to reach stakeholders and keep in touch with our staff.

## **Extension of DG window for SMEs and opening of DG window for medium and large companies**

INSETA notifies all registered Small, Medium and large FSPs in the Insurance and related services sector and registered with INSETA, to apply for support in the areas of Learnerships, Internships, Bursaries for Workers and Skills Programmes for Workers until 30 June 2020. Go to our website [www.inseta.org.za](http://www.inseta.org.za) to apply.

## Extension of WSP deadline

INSETA is accepting WSPs submitted up to 31 May 2020 in line with the national extension of WSP deadline. However, please note that any WSP submitted after the legislated date of 30 April will not need to be accompanied by an application for late submission.

## Keeping you informed

Whilst operating remotely, we are available on email and telephonically to assist stakeholders. Our email addresses and the landline set up to divert to our cellphones during the Lockdown period, are available on our website: [www.inseta.org.za](http://www.inseta.org.za).

The INSETA website remains the main means of communication with stakeholders. All INSETA communications are uploaded to our website, so please feel free to visit the website for the latest developments and other news.

Should you experience a delayed response of more than 72 hours to emails, please contact us at the following dedicated addresses:

- [ceo@inseta.org.za](mailto:ceo@inseta.org.za)
- [Complaints@inseta.org.za](mailto:Complaints@inseta.org.za)

Compliments and suggestions to the following emails are welcome:

- [Compliments@inseta.org.za](mailto:Compliments@inseta.org.za)
- [Recommendations@inseta.org.za](mailto:Recommendations@inseta.org.za)

INSETA is moving forward with confidence during this time of uncertainty, with a strategy embracing preparedness, action and togetherness. We will continue to serve stakeholders, ensuring compliance within our SETA as government policies change, by diligently working towards solutions.

Our operating standards are in place and we have made the necessary adjustments to address the Lockdown. However, this is a complex and unprecedented time and the future is unpredictable.

We remain grateful for the understanding and support from all stakeholders during this time.

Best wishes

**Ms Nadia Starr**  
**Chief Executive Officer**

The Insurance Sector Education and Training Authority

**THE WSP & ATR  
WINDOW IS OPEN**

**Closing Date:  
31 May 2020**

**IMPORTANT NOTICE**  
Dear Valued Stakeholder  
The Inseta system is now open for the submission of the  
Workplace Skills Plan (WSP) and Annual Training Report (ATR)

**inseta**  
INSURANCE SECTOR EDUCATION  
AND TRAINING AUTHORITY

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# NEW INSETA CHAIRPERSON AND BOARD

**The INSETA announces the appointment of the new INSETA Board Chairperson, Mr. Sihle Ngubane and the following Board members effective from 1 April 2020.**

- Ms. V. Pearson (Business)
- Ms. L. van der Merwe (Business)
- Ms. R.G. Govender (Business)
- Ms. P. Mendes (Business)
- Ms. S.J. Kruger (Business)
- Ms. Z. Motsa (Business)
- Mr. R.P. Motlhabane (Labour)
- Mr. M. Soobramoney (Labour)
- Mr. J.J.M. Mabena (Labour)
- Ms. S.A. Anders (Labour)
- Mr. C.B. Botha (Labour)
- Ms. S.T. Dinyake (Labour)
- Ms. F. Mabaso (Government)
- Mr. S.M. Mpuru (Community Organisation)

Mr Ngubane has extensive governance experience including that gained in his previous role as Chairperson of the MICT SETA. The INSETA will benefit from Mr Ngubane's vast experience and skills across the ICT and Engineering sectors and for his commitment to business excellence, thought leadership and diversity.



**Mr. Sihle Ngubane**

The newly appointed INSETA Board members represent skills and experience and each individual shares the INSETA core values of partnership, respect and transparency. This bodes well as we advocate relentlessly in our fight against poverty, unemployment and lack of access.

## CAREER HIGHLIGHTS OF MR. NGUBANE

- Board Chairperson and Member of the MICT-SETA Board (Media Information and Communication Technologies Sector Education and Training Authority)
- Chairperson of the MICT-SETA EXCO
- Council Member of the Tshwane North TVET College
- Member of the Finance Committee of the Tshwane North TVET College
- Member of the Independent Audit and Risk Committee of the Johannesburg Water SOC (Pty) Ltd
- Board Member of the Johannesburg City Parks & Zoo (JCPZ)
- Member of the JCPZ Risk Management & IT Governance Committee
- Member of the JCPZ Social and Ethics Committee
- Board Member of the Universal Service Access Agency of South Africa (USAASA)
- Chairperson of the USAASA Human Resources & Remuneration Committee (HRREMCO)
- Member of the USAASA Audit & Risk Committee
- Member of the USAASA Social & Ethics Committee
- Board Member of the South African Post Office (SAPO)
- Chairperson of the SAPO IT Governance Committee
- Chairperson of the SAPO Postbank Committee
- Chairperson of the SAPO eDOCEX Committee

Mr Ngubane is committed to authentic public service and advocates the need to collaborate and increase access to opportunities as we work to improve skills for our communities, the insurance sector and our nation at large.

# COVID-19 GUIDELINES FROM THE MINISTRY OF HIGHER EDUCATION AND TRAINING

**These directives pertain to all SETA's and their day to day activities and business continuity going forward during the Lockdown periods and may be enforced by Government as detailed below.**

The INSETA has embraced these guidelines and continues to operate effectively in the interests of stakeholders, whilst working remotely.

## SETA TASK TEAM

The Accounting Authority/Administrator shall ensure, through the CEO, the establishment of a COVID 19 task team. The Task Team shall, amongst other things, be responsible for the Business Continuity and Implementation of the guidelines set out by the Government and the Minister. The Task Team has been constituted as the INSETA Management team and has met weekly since the commencement of the Lockdown. We are engaging and reporting on our COVID-19 related plans, interventions, activities and developments.

## STEPS TO BE IMPLEMENTED IMMEDIATELY

The following measures will be implemented immediately in response to the situation presented by COVID-19 and will be in force until further notice by the DHET and/or the Ministry of Higher Education and Training, and Science and Technology.

### 1. Suspension of Physical Meetings

All non-essential physical contact meetings of the SETA both internal and external are suspended.

All meetings of the SETA shall be conducted via electronic methods via e.g. emails, teleconferences, MSTeams, etc.

SETAs will support employers remotely with regard to their Workplace Skills Plan (WSP) submissions. The date for the submission of WSP's has been extended to 31 May 2020 for applying companies. As this is a blanket extension from the DHET, there is no longer a requirement for company specific motivations.

### 2. Travel Ban

All International and Domestic business-related travel is banned with immediate effect until further notice.

The ban includes all site visits conducted by the SETA in execution of its mandate.

### 3. Finance and Related Matters

All compliance related matters regarding the PFMA, National Treasury Regulations/Instructions/Notices and the Auditor-General are fully operational.

The publication and awarding of tenders and appointment of service providers will be suspended with immediate effect and will be in force during the nationwide Lockdown period.

### 4. Skills Development Implementation

While the DHET have instructed SETAs to pay stipends to learners participating in theoretical training through e-learning, the INSETA has instead agreed to pay stipends to all learners and interns adversely affected by this Lockdown. Employers must request additional stipends in writing.

Documentation relating to funding can still be sent to the SETAs electronically.

### 5. Quarterly reporting

Quarterly reporting remains in force and SETAs are to submit their Quarterly Management reports by the relevant due dates.

# (FAQS) TO ASSIST STAKEHOLDERS

TO ENSURE CONTINUITY OF SERVICE TO STAKEHOLDERS, THE INSETA HAS DEVELOPED FREQUENTLY ASKED QUESTIONS (FAQS) TO ASSIST COMMUNICATION DURING THE COVID-19 LOCKDOWN PERIOD.

## I. EXTENSION OF PROGRAMMES

### Q1.1: Will INSETA extend the learning programmes suspended due to the impact of lockdown?

**Response:** Yes, a maximum of 3-month extension will be provided (to accommodate programmes that were suspended prior to lockdown). A motivation must be submitted to the relevant INSETA Learning division manager, detailing the period of closure and requesting the specific extension period for consideration and approval.

### Q1.2: Will INSETA extend the contracts for special and catalytic projects due to the impact of lockdown?

**Response:** INSETA will provide extensions based on an analysis of the impact on each project as it relates to progress covered in the project. A motivation must be submitted to the INSETA project manager, detailing the impact of the revised project plan and related risk matrix for consideration and approval of the extension.

## 2. PAYMENT OF STIPENDS

### Q2.1: Must the employer continue paying the stipends to learners and interns during this period?

**Response:** Yes. If the programme has commenced prior to lockdown then host employers must continue with the payment of stipends. INSETA is in the process of contracting with employers whose contracts were pending so that tranche payments can be made to host-employers, which will cover learners' stipends.

### Q2.2: Will INSETA increase the stipend funding to cover the extended months?

**Response:** Yes, INSETA will allocate the necessary additional stipends to a maximum of 3 months in line with the approved extension period for each learner/intern. Note that stipends will be allocated in terms of the INSETA DG Grant Policy and any top-ups provided by the employer will not be covered.

### Q2.3: As an employer, what do I need to do in order to get the extension funding of stipends?

**Response:** Employers must request additional stipends from INSETA in writing. This may be done in the same motivation requesting extension as detailed in Q1.1 above.

## 3. Training

### Q3.1: Training that was planned for the delivery of learning programmes was suspended during the last two weeks of March 2020 due to the Lockdown. Can I have an extension for the Learning Programmes to be run after the lockdown period is concluded?

**Response:** Yes. Employers and Skills Development Providers must request an extension from INSETA as detailed in Q1.1 above.

### Q3.2: The institution that I obtain Bursary results from is closed. Can I have an extension to submit the results when the institution has reopened?

**Response:** Yes, Employers will be granted extensions for submission of results in cases where the institution had not released results before the Lockdown commenced.

### **Q3.3: INSETA has awarded funding for a proposal I submitted for Reskilling and/or Top up Skilling. When does the training need to start?**

**Response:** INSETA will draft the contracts with each awardee; taking into consideration the impact of the Lockdown period. Training delivery dates, project plans and deliverables scheduling will be agreed with each stakeholder.

## **4. Verification of Learning**

### **Q4.1: Verification was cancelled due to Lockdown. Will verification be rescheduled?**

**Response:** Yes, cancelled verifications will be prioritized after lockdown. Unfortunately, no on-site verifications are possible for obvious reasons.

### **Q4.2: When will verification bookings be possible and will alternate methods of verification be considered during social distancing?**

**Response:** Bookings for Verifications must be made as they were before the Lockdown, as these will be allocated on a first-come-first-served basis once the Lockdown period is over. Virtual verification is being considered and will be communicated should an approval be obtained.

**NB.** Verifications booking MUST be made through the Verifications mailbox; i.e. Verifications@inseta.org.za. Not through any INSETA employees or Verifiers.

## **5. Payment of Invoices**

### **Q5.1: Will INSETA make payments for invoices submitted during the Lockdown period?**

**Response:** INSETA will continue to make payments for invoices received, provided they were submitted to the correct official, all deliverables relating to the invoice are met, and all details required by Finance, e.g. Confirmation of banking details or CIPC documents are submitted.

**NB.** Please allow 30 days from date of invoice for payment to be made before following up with INSETA.

### **Q5.2: We are unable to submit evidence required by INSETA for learning programmes due to being unable to access hard copy documents stored at the office. Will the evidence be accepted after Lockdown?**

**Response:** Employers must inform INSETA about the evidence that they are unable to submit and ensure that a submission is received by INSETA within 5 working days of return to office after the Lockdown period.

## **6. WSP & ATR Submissions**

### **Q6.1 : Will there be an extension to the WSP & ATR submission deadline?**

**Response:** Yes, until 31 May 2020. However, companies are reminded that submission of WSP is a requirement in order to access Discretionary Grants (DG) for learning programmes in the 2020/21 financial year (1 April 2020 to 31 March 2021). The DG Grant application process is currently open and will close on 30 Jun 2020. Companies are urged to submit WSPs by 31 May 2020 to qualify for the 2020/21 funding.

### **Q7 When do you plan to reopen the INSETA offices?**

**Response:** We will re-open in phases when we have been advised that it is safe to do so

### **Q8 Where do I send further questions?**

Please send an email to: Recommendations@inseta.org.za



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## DISCRETIONARY GRANTS APPLICATIONS WINDOW NOTIFICATION - 2020/2021

**INSETA hereby notifies all Small, Medium and Large Companies in the Insurance and related services sector and registered with INSETA, to apply for support in the areas of Learnerships, Internships, Bursaries for Workers and Skills Programmes for Workers.**

*The application window will be opened for 2020/21 applications from 04 May 2020. Funding applications will be accepted until 30 June 2020 for **Learnerships, Internships, Bursaries for Workers and Skills Programs.***

**Kindly note that late applications will only be accepted at the INSETA's discretion and subject to the following:**

- Funding availability
- First-come-first-served basis regarding received applications
- Meeting the relevant requirements of INSETA DG Policy and SETA Grants Regulations
- Commencing programmes within 2020/2021 financial year, no later than **01 February 2021**
- Credible track record in completing previous learning programmes funded by INSETA

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**IMPORTANT TO NOTE:**

1. Only companies whose core business falls within the INSETA scope may apply.
2. Applicant companies must have submitted a WSP and ATR for the **2020/21** financial year may apply.
3. All applications must be made online **ONLY**. The link will be available on the INSETA website **www.inseta.org.za** from 01 April 2020. Please use the system user manual attached for guidance on application submission.
4. First time applicants will be subject to site visit and if approved, will be awarded conservative numbers until track record is established.
5. Previous track record for successful implementation of INSETA-funded learning programmes will be considered in funding allocation.
6. Capacity to deliver the training and/or host the learners will be verified by INSETA prior to awarding funding.
7. Failure to submit documentation or to commence within the stipulated timelines will result in the withdrawal of funding.
8. Employers may only apply for funding for learners on **ONLY ONE** of the learning programmes listed below.

**SECTION A: Learnerships**

Please note the below process for applying for Learnerships; **whether SETA-funded or self-funded**.

Please go the INSETA website [www.inseta.org.za](http://www.inseta.org.za) between **04 May 2020 and 30 June 2020** to access links to the online applications for Learnerships.

**ALL APPLICATIONS MUST BE MADE ONLINE ONLY DURING THE APPLICATION PERIOD.**

All Stakeholders must please note the following:

1. Companies may apply for employed and unemployed youth (between the ages of 18 and 35) learners.
2. Applications for funded Learnerships must be for programmes meeting the INSETA scarce and critical skills list (see INSETA website [www.inseta.org.za](http://www.inseta.org.za)).
3. Programmes may only start once the applicant company has received approval by INSETA and after submission of all required documentation to INSETA.
4. Programmes must start by no later than **01 February 2021**.

**FUNDING WILL BE ALLOCATED AS FOLLOWS:**

Category	Stipend p/m	Total Tuition
Unemployed Learnership	R3 000	R20 000
Unemployed PwD Learnership	R4 000	R20 000
Employed Learnership	N/A	R20 000

All enquiries with regard to Learnership applications must be sent to **Learnerships@inseta.org.za**.

## SECTION B: Internships

Please note the below process for applying for Internships:

Please go to the INSETA website [www.inseta.org.za](http://www.inseta.org.za) between **04 May 2020 and 30 June 2020** to access links to the online applications for Internships.

**ALL APPLICATIONS MUST BE MADE ONLINE ONLY DURING THE APPLICATION PERIOD.**

All Stakeholders must please note the following:

1. Companies may only apply for South African unemployed youth (between the ages of 18 and 35) who have successfully achieved Matric PLUS a post-school qualification, e.g. Learnership.
2. Applications must be for programmes meeting the INSETA scarce and critical skills list (see INSETA website [www.inseta.org.za](http://www.inseta.org.za)).
3. Programmes may only start once the applicant company has received approval by INSETA and after submission of all required documentation to INSETA.
4. Programmes must start by no later than **01 February 2021**.

### FUNDING WILL BE ALLOCATED AS FOLLOWS:

Category	Stipend p/m
Interns with Matric plus one-year additional qualification	R4 500
Interns with Matric plus three-year additional qualification	R6 500

All enquiries with regard to Internship applications must be sent to [internships@inseta.org.za](mailto:internships@inseta.org.za).

## SECTION C: Bursaries for Workers

Please note the process below for applying for bursaries for workers:

Please visit the INSETA website [www.inseta.org.za](http://www.inseta.org.za) between **04 May 2020 and 30 June 2020** to access links to the online applications.

**ALL APPLICATIONS MUST BE MADE ONLINE ONLY DURING THE APPLICATION PERIOD.**

All Stakeholders must please note the following:

1. This window is only for bursaries for persons already permanently employed in the Insurance Sector.
2. The number of students applied for MUST NOT exceed the number of employees listed in the **2020/21** WSP.
3. Applications must be for programmes meeting the INSETA scarce and critical skills list (see INSETA website [www.inseta.org.za](http://www.inseta.org.za)).
4. Applications will only be accepted for study at South African Public Higher Education (HE) and Universities of Technology (UoTs) institutions from NQF 5 and above qualifications.
5. Studies at private institutions will be approved for programs related to the INSETA scarce critical skills list that are not run at any South African Public Higher Education (HE) or and Universities of Technology (UoTs) institutions; on submission of a motivation and at the discretion of INSETA.
6. INSETA reserves the right to award funding in support of the sector's transformational imperatives. Preference will be given to applications from small businesses and PDIs.
7. Programmes may only start once INSETA funding has been approved and after submission of all required documentation to INSETA.
8. Programmes must start by no later than **01 February 2021**.

Funding will be allocated based on actual quotes, to a maximum of **R30 000 per student**.

All enquiries with regards to Employed Bursary applications must be sent to:

**[Bursaryforworkers@inseta.org.za](mailto:Bursaryforworkers@inseta.org.za)**

## SECTION D: Skills Programmes for Workers

Please note the below process for applying for Skills Programmes for Workers:

Please go the INSETA website [www.inseta.org.za](http://www.inseta.org.za) between **04 May 2020 and 30 June 2020** to access links to the online applications for Skills Programmes.

**ALL APPLICATIONS MUST BE MADE ONLINE ONLY DURING THE APPLICATION PERIOD.**

All Stakeholders must please note the following:

1. This window is only for Skills Programmes for persons already employed in the Insurance Sector.
2. The number of learners applied for must not exceed the number of employees listed in the **2020/21 WSP**.
3. Applications must be for programmes meeting the INSETA scarce and critical skills list (see INSETA website [www.inseta.org.za](http://www.inseta.org.za)).
4. Accredited unit standard aligned skills programmes and CHE modules will be funded.
5. Stakeholder **MUST** submit a motivation for non-credit bearing skills programmes. Approval of such will be at the discretion of INSETA.
6. Details of the preferred training provider will be required with the application.
7. INSETA assumes no financial responsibility nor will support skills programmes that start prior to written confirmation of funding by INSETA.
8. See attached Skills programme funding guide for cut off dates and programme structure.

Funding will be allocated based on actual quotes.

All enquiries with regard to Skills Programmes for Workers applications must be sent to:  
**SP4WCashGrant@inseta.org.za.**

# INSETA ONLINE INFORMATION SHARING

## INSETA Online Information Sharing Sessions

The INSETA held its first Digital Information sharing session via Microsoft Teams in a live discussion with Executives and stakeholders on 23 April 2020.

We were happy with the 200 stakeholders who participated and we were glad to have been able to assist with the many WSP and DG related queries that you had. For those who missed this session, we have uploaded all our presentations on our website.” Says INSETA CEO, Ms Nadia Starr who adds that she is looking forward to continually engaging with stakeholders through a planned schedule of sessions (see below) and to keep the communication of information alive.

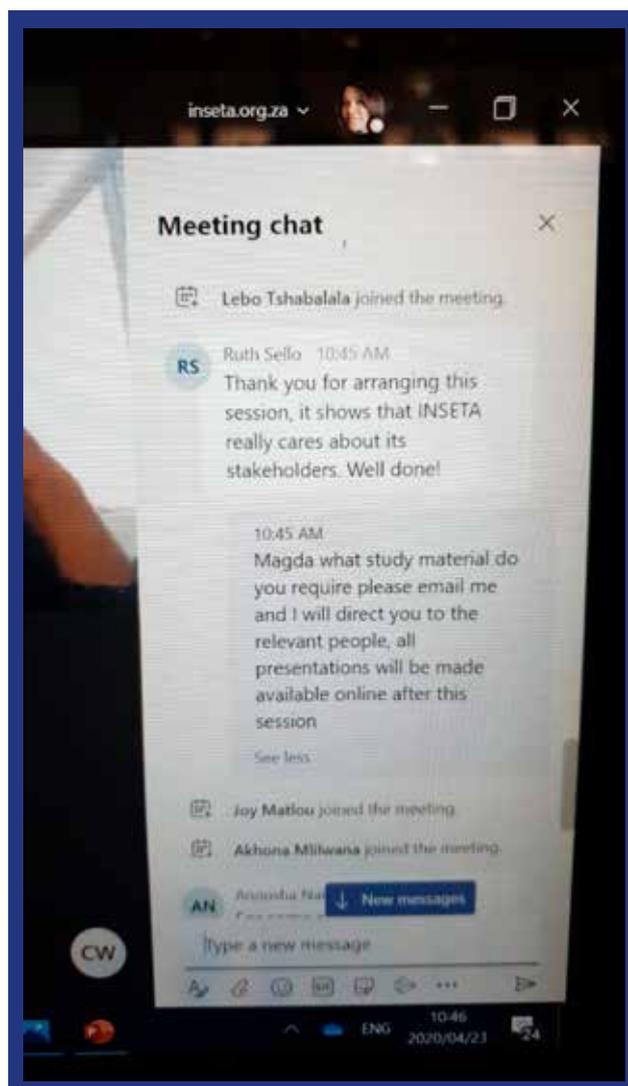
### MSTeams forum with INSETA Executives and Stakeholders – 23 April 2020

Audience: All employers, professional bodies and trade associations and Training Providers. Our first session covered COVID-19 Response; Office closure; Working remotely; Social distancing and business unusual on return; Communications; Finance processing timelines and process; DG contracting.



### Future online meeting dates:

- Please remember to RSVP at [events@inseta.org.za](mailto:events@inseta.org.za)
- Please also follow the Protocol guidelines for these Sessions.
- Thursday 7 May – DG Application forum (Large/ Medium and SMME split)
- Thursday 14 May – Provider Forum – Training on Indicum
- Thursday 21 May – Executive forum – Updates and way forward.





**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## MEDIA STATEMENT

### FURTHER TAX MEASURES TO COMBAT THE COVID-19 PANDEMIC

Government recognises that the far-reaching lockdown measures to contain the spread of the coronavirus are having a significant impact on our economy. Most households and businesses have suffered a significant loss in their income, as they comply with the regulations giving effect to the National State of Disaster declared on 15 March 2020. Government is committed to helping households and businesses stay afloat during this difficult period, whilst it continues to limit the rate of infection, on a risk-based approach.

The Minister of Finance announced the details of an [initial set of measures](#) on 29 March 2020 to assist tax compliant businesses with cash flow assistance and provide an incentive for businesses to retain their lower-income employees. Since the announcement, economic conditions have worsened, and National Treasury and SARS have received a large number of requests for assistance, including requests from large businesses that are also experiencing substantial cash flow difficulty. National Treasury recognises that the short-term interventions announced in the first fiscal package do not go far enough in assisting businesses or households through the crisis – especially as the lockdown has since been extended.

In line with the President's address to the nation on 21 April 2020, the Minister of Finance provides more detail on the second set of measures that aim to assist individuals and businesses through the pandemic. There is a critical need for government interventions to assist with job retention and support businesses that may be experiencing significant distress.

The following set of measures will help businesses focus on staying afloat and paying their employees and suppliers. Assisting businesses now will ensure that our economy is in a better position to recover once the health crisis starts to subside. If businesses survive this testing time, the economy will be better placed to strive collectively towards economic growth that is inclusive (providing more opportunities for employment) and revenue generating (so that we are able to work towards improving the state of our fiscus). The measures are expected to provide around R70 billion in support, either through reductions in taxes otherwise payable or through deferrals of tax payments for tax compliant businesses. The interventions include:

**Skills development levy holiday:** From 1 May 2020, there will be a four-month holiday for skills development levy contributions (1 per cent of total salaries) to assist all businesses with cash flow. This provides relief of around R6 billion.

**Fast-tracking of value-added tax (VAT) refunds:** Smaller VAT vendors that are in a net refund position will be temporarily permitted to file monthly instead of once every two months, thereby unlocking the input tax refund faster and immediately helping with cash-flow. SARS is working towards having its systems in place to allow this in May 2020 for Category A vendors that would otherwise only file in June 2020.

Enquiries: Communications Unit  
Email: [media@treasury.gov.za](mailto:media@treasury.gov.za)  
Tel: (012) 315 5944



**Three-month deferral for filing and first payment of carbon tax liabilities:** The filing requirement and the first carbon tax payment are due by 31 July 2020. To provide additional time to complete the first return, as well as cash flow relief in the short term, and to allow for the utilisation of carbon offsets as administered by the Department of Mineral Resources and Energy, the filing and payment date will be delayed to 31 October 2020, providing cash flow relief of close to R2 billion.

**A deferral for the payment of excise taxes on alcoholic beverages and tobacco products:** Due to the restrictions on the sale of alcoholic beverages and tobacco products, payments due in May 2020 and June 2020 will be deferred by 90 days for excise compliant businesses to more closely align tax payments through the duty-at-source system (excise duties are imposed at the point of production) with retail sales. This is expected to provide short term assistance of around R6 billion.

**Postponing the implementation of some Budget 2020 measures:** The 2020 Budget announced measures to broaden the corporate income tax base by (i) restricting net interest expense deductions to 30 per cent of earnings; and (ii) limiting the use of assessed losses carried forward to 80 per cent of taxable income. Both measures were to be effective for years of assessment commencing on or after 1 January 2021. These measures will be postponed to at least 1 January 2022.

**An increase in the expanded employment tax incentive amount:** The first set of tax measures provided for a wage subsidy of up to R500 per month for each employee that earns less than R6 500 per month. This amount will be increased to R750 per month at a total cost of around R15 billion.

**An increase in the proportion of tax to be deferred and in the gross income threshold for automatic tax deferrals:** The first set of tax measures also allowed tax compliant businesses to defer 20 per cent of their employees' tax liabilities over the next four months (ending 31 July 2020) and a portion of their provisional corporate income tax payments (without penalties or interest). The proportion of employees' tax that can be deferred will be increased to 35 per cent and the gross income threshold for both deferrals will be increased from R50 million to R100 million, providing total cash flow relief of around R31 billion with an expected revenue loss of R5 billion.

**Case-by-case application to SARS for waiving of penalties:** Larger businesses (with gross income of more than R100 million) that can show they are incapable of making payment due to the COVID-19 disaster, may apply directly to SARS to defer tax payments without incurring penalties. Similarly, businesses with gross income of less than R100 million can apply for an additional deferral of payments without incurring penalties.

The following tax measures aim to assist individual taxpayers and to provide financial backing from the fiscus to donate to the Solidarity Fund:

**Increasing the deduction available for donations to the Solidarity Fund:** The tax-deductible limit for donations (currently 10 per cent of taxable income) will be increased by an additional 10 per cent for donations to the Solidarity Fund during the 2020/21 tax year.

**Adjusting pay-as-you-earn for donations made through the employer:** Employers can factor in donations of up to 5 per cent of an employee's monthly salary when calculating the monthly employees' tax to be withheld. An additional percentage that can be factored in of up to 33.3 per cent, depending on the employee's circumstances, will be provided for a limited period for donations to the Solidarity Fund. This will lessen cash flow constraints for employees who donate to the Solidarity Fund.

Enquiries: Communications Unit  
Email: [media@treasury.gov.za](mailto:media@treasury.gov.za)  
Tel: (012) 315 5000



**Expanding access to living annuity funds:** Individuals who receive funds from a living annuity will temporarily be allowed to immediately either increase (up to a maximum of 20 per cent from 17.5 per cent) or decrease (down to a minimum of 0.5 per cent from 2.5 per cent) the proportion they receive as annuity income, instead of waiting up to one year until their next contract “anniversary date”. This will assist individuals who either need cash flow immediately or who do not want to be forced to sell after their investments have underperformed.

The above measures will be given legal effect in terms of changes to the two bills mentioned in the [Media Statement](#) issued on 29 March 2020 – the Draft Disaster Management Tax Relief Bill and the Draft Disaster Management Tax Relief Administration Bill. Together with the Commissioner for SARS, National Treasury will also monitor developments and the need for any further requirements to assist with COVID-19 relief efforts

The table below provides a breakdown of the level of support provided by the tax measures and is split by measures that provide additional liquidity (in effect interest free loans) that are ultimately paid back to government and measures that provide additional subsidies and result in lower tax revenue.

<b>Impact of COVID-19 tax measures:</b>	<b>Liquidity / interest free loan (R billion)</b>	<b>Revenue cost (R billion)</b>
Expansion of employment tax incentive to pay up to R750 to all employees with an income below R6,500 per month		<b>15</b>
Deferral of 35 per cent of PAYE liability for four months for businesses with expected gross income of less than R100 million	<b>19</b>	<b>2</b>
Deferral of 35 per cent of provisional tax payments for the next six months for businesses and the self-employed with expected gross income of less than R100 million	<b>12</b>	<b>3</b>
Skills development levy holiday for four months		<b>6</b>
A 90-day deferral for alcohol and tobacco excise duty due to be paid in May and June	<b>6</b>	
Three-month deferral for filing and payment date of carbon tax	<b>2</b>	
Case-by-case application for deferral	<b>5</b>	
<b>Total</b>	<b>44</b>	<b>26</b>
<b>Grand total</b>		<b>70</b>

The draft bills alongside their draft explanatory memoranda, will be published for public comment on the National Treasury ([www.treasury.gov.za](http://www.treasury.gov.za)) and SARS ([www.sars.gov.za](http://www.sars.gov.za)) websites by 30 April 2020.

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## INSETA IS PLEASED TO WELCOME THE NEW ETQA MANAGER



Meet Lesham Maharajh.

Formerly from Durban, Lesham completed her studies at the University of KZN. She has successfully completed a BCom Hons Degree in Economics and Management.

Maharajh spent eight years in the Higher Education and Training Sector, starting as a lecturer and later becoming Campus Manager for a private provider of education.

In her role as ETQA Manager at INSETA she says “I am extremely eager and passionate about my new role and believe I will enhance learning delivery within the insurance sector. My goals for the ETQA department are to ensure that all policies are current and relevant; learning programs are aligned with industry requirements and are beneficial to the sector; to maintain and improve stakeholder relationships and to ensure regulatory compliance. I am looking forward to building strong working relationships with my colleagues and the ETQA team in particular.”

Should you have any queries please feel free to email Lesham at: [lesham@inseta.org.za](mailto:lesham@inseta.org.za)

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