

16 April 2020

Dear Valued Member

**COVID-19 message from the CEO of the RMI**

I trust that you are well and healthy under these trying circumstances. I truly believe that we will all come out stronger once we have finally beaten the virus that has caused so much disruption in our lives.

I write to you on the eve, and what was to be the end of the initial government-declared lockdown period, now extended until the end of April – with a message of hope and encouragement at a critical time when the future looks bleak for business, the health sector and the economy.

The RMI management team and I would like to assure you of our on-going and non-stop efforts to support our members and influence all authorities for a better dispensation for the retail motor industry during the current lockdown pandemic – all of this against the very important task to fight the corona virus and stop the spread thereof.

My management team and I have been inundated with requests and suggestions from members from all sectors of our industry, sharing their concerns about the impact that the lockdown will have on them and their businesses, all of which also deeply concern us. We truly appreciate all the input on how we, as an organisation, could go about securing relief and assistance for businesses that have suspended trading in support of President Ramaphosa's plea for all non-essential services to close shop. We have listened carefully, and explored every one of those requests and suggestions and I am pleased to report that we have made great progress towards significant and substantial relief measures for our members. I trust that our various circulars under the title "RMI COVID-19 MONITOR" has been received, read and implemented.

In addition to all the circulars and information-sharing to date, I want to share with you a few of the important initiatives we are in the process of finalizing in the hope to have these successfully implemented in due course.

**1. CONTRIBUTION HOLIDAY FOR EMPLOYERS IN RESPECT OF THE MOTOR INDUSTRY RETIREMENT FUNDS AND THE MOTOHEALTH CARE FUND:**

After a substantial amount of lobbying and using the influence of the RMI, we have in principle secured an undertaking from both the Motor Industry Retirement Fund Administration and the MotoHealth Care Administration, in close liaison with the regulatory authorities, to investigate – and if possible – to implement a contribution holiday for employers.

The Retirement Funds and MotoHealth Care are however subject to very strict regulatory requirements from the Financial Services Conduct Authority (FSCA) and the Council for Medical Schemes (CMS), and it will therefore take some time to finalise these relief measures to ensure that they meet the requirements in law. I am, however, very optimistic that these measures will materialize, given the relief it can bring to our financially distressed members and employers during and after the lockdown period.

**2. CONTRIBUTION HOLIDAY FOR EMPLOYERS IN RESPECT OF THE MIBCO SICK-, ACCIDENT AND MATERNITY PAY FUND (SAF):**

I am also very pleased to inform you that the RMI and the Motor Industry Staff Association (MISA) have agreed to a 13 week contribution holiday with effect from 27 April 2020, for our members participating in SAF. There will be no forfeiture of any of the benefits accruing to beneficiaries of the Fund (i.e. your employees). This will provide significant relief to members who support and make use of this RMI member benefit.

### 3. SOLUTION FOR UIF AND TERS ON BEHALF of MEMBERS:

Sadly, relief measures for employees, implemented by Government in the form of **UIF** and **TERS** benefits, have been very slow in materializing. This is due to the complex and ever-changing processes required to submit claims. The UIF is not sufficiently equipped and resourced to handle the vast number of claims that have been submitted, resulting in us receiving thousands of complaints from members in this regard. MIBCO too decided that they cannot enter into any agreement with the UIF to fulfil this function because of capacity and IT restrictions. However, with the support of the RMI, MIBCO has recently introduced a helpdesk for employers in need of assistance.

#### OUR SOLUTION

We are well advanced in the development of a solution that will provide assistance to our members in preparing and submitting successful claims to the UIF and TERS on behalf of their employees. A Memorandum of Agreement between the RMI, the **UIF** and **MISA** is work in process, and once finalized and approved by the authorities will provide the much-needed claims service. This will be free of charge and on a no-obligation basis to the members of the RMI in respect of all their employees. This will materially aid our members in securing UIF payments in an easy and expeditious way.

### 4. RMI MEMBERSHIP FEES EFFECTIVE 1 JULY 2020:

Over the past 6 years, the RMI has managed to accrue substantial financial reserves due to the deployment of various efficiencies and cost cutting exercises. Reserves are essentially funds belonging to members in order to be utilized in times of poor economic cycles to sustain the RMI for the very important role it plays on behalf of its members and the economy at large. The current health pandemic and financial hardship is therefore the best opportunity for the RMI and the RMI Board to support our members with recovery after the lockdown period. We are working on the details of these relief measures and considering various scenarios and options as to how best apply some of these reserve funds in providing significant relief for members. I am confident that a substantial subsidy on our **RMI membership subscription fees**, which will become payable on 1 July 2020, will bring additional relief for our members at a time when we all need support.

In the meantime, my team and I are working very hard from our home-based offices and making every effort to keep you as member informed during these very trying times. We will continue to do so and spare no effort to identify and implement innovative solutions that will support the notion that Belonging Is Better Business.

Today the government announced some changes to the rules for the next phase of South Africa's COVID-19 lockdown. Unfortunately they still state that workshops can open to perform work for essential services only. There is therefore no change to the original regulations. We will however keep on trying to lobby Government for a much broader relaxation whereby the retail motor industry can be opened for business. The Minister did indicate that more amendments to the regulation would be announced in the next week and we are hopeful we would then be considered favourably.

Allow me to wish you, your employees and your loved ones good health and a speedy return to normality. We are in this together, and we will survive it together.

Jakkie Olivier

CEO : RETAIL MOTOR INDUSTRY ORGANISATION



RMI's dedicated help email: [rmicovid19info@rmi.org.za](mailto:rmicovid19info@rmi.org.za)