

DIHLABENG LOCAL MUNICIPALITY



**DEBT RELIEF PLAN COVID-19
EFFECTIVE FROM 01 JULY 2020**

DEBT RELIEF PLAN COVID-19

Purpose of the plan

The purpose of this plan is to outline the measures and processes Dikhalabeng Local Municipality will follow in providing relief to the property owners and businesses who are affected adversely by COVID-19.

Who will qualify for the relief?

1. **All registered indigents, prospective indigents, disabled, and persons who qualify for pensioner's rebate**

Dikhalabeng Local Municipality will further adjust the indigent subsidy by giving 100% relief of all the services (including water) of the indigent household. This rebate will however be limited to the COVID-19 disaster period, after which, the normal indigent subsidy will apply.

Pensioners rebate will be offered a relief of 50% on consumable services (sewerage, refuse removal and water). This rebate will however be limited to the COVID-19 disaster period, after which, the normal pensioner's rebate will apply.

2. **Individual property owners**

Property owners who are affected by COVID-19, will qualify for a rebate of 40% off, of their municipal services accounts. This rebate will however be limited to the COVID-19 disaster period, after which, the normal pensioner's rebate will apply.

3. **All Businesses**

All businesses will qualify for a relief according to the level of lockdown and impact thereof:-

3.1 Guesthouses, Guest Lodges, Bed and Breakfast, Hotels and Hotel Inns, Restaurants, Coffee Shops and other eateries, Hairdressing salons, Small businesses.

The relief offered will be 50% off of property rates and sewerage levied and 30% off of other services, i.e. refuse removal and water services. This rebate will however be limited to the COVID-19 disaster period, after which, the normal rates will apply.

3.2 All other businesses (except the businesses listed above).

Category 1 – For businesses who were closed during Level 5 of lockdown, but started operating on Level 4

The relief offered will be 35% off of property rates and sewerage levied, and 20% off of other services, i.e. refuse removal and water services. This rebate will however be limited to the COVID-19 disaster period, after which, the normal rates will apply.

Category 2 – For businesses who were closed during Level 5 and Level 4 of lockdown, but started operating on Level 3

The relief offered will be 50% off property rates and sewerage levied, and 30% off of other services, i.e. refuse removal and water services. This rebate will however be limited to the COVID-19 disaster period, after which, the normal rates will apply.

Category 3 – For businesses who were closed during Level 5, Level 4 and Level 3 of lockdown, but started operating on Level 2

The relief offered will be 60% off of property rates and sewerage levied and 35% off of other services, i.e. refuse removal and water services. This rebate will however be limited to the COVID-19 disaster period, the normal rates will apply.

Category 4 – For businesses who were closed during Level 5 until Level 2 of lockdown, but started operating on Level 1

The relief offered will be 70% off of property rates and sewerage levied and 30% off of other services, i.e. refuse removal and water services. This rebate will however be limited to the COVID-19 disaster period, after which, the normal rates will apply.

Category 5 – For businesses who were operating during Level 5 of lockdown

The relief offered will be 35% off of property rates and sewerage levied and 10% off of other services, i.e. refuse removal and water services.

Please note the percentage rebates mentioned above on consumable services exclude electricity, whether prepaid or conventional!!!

4. The conditions and requirements to qualify for the COVID-19 debt relief

4.1 Individual property owners, indigent etc.

4.1.1 The onus lies with the property owner to prove that they have been adversely affected by the COVID-19 (Loss of income/ employment). This will be done by the owner presenting the following documents to the municipality:-

- i. 3 months bank statement
- ii. Proof of loss of employment (UI19)
- iii. Proof of loss of income (in case of informal businesses)

4.1.2 Dihlabeng Local Municipality will also use the good standing on the municipal services account when considering the application for debt relief. The applicant's municipal account should have been up to date at the time of lockdown.

4.1.3 If however the applicant had a signed arrangement plan with the municipality, Dihlabeng Local Municipality will also consider the adherence to the payment arrangement plan signed by the debtor (applicant). The previously signed arrangement amount maybe reduced.

4.1.4 An account that is not in good standing will immediately disqualify the application of the applicant.

Please note that no exception will be made regarding the good standing of the account.

5. Businesses

5.1 The onus lies with the business owner(s) to prove that they have been adversely affected by the COVID-19 (Loss of income). This will be done by the owner presenting the following documents to the municipality:-

- i. 3 months bank statement
- ii. Proof of the business being closed and also proof of how long the business was closed for.

5.2 The business must not have received any form of relief from the government.

5.3 Dihlabeng Local Municipality will also use the good standing on the municipal services account when considering the application for debt relief. The applicant's municipal account should have been up to date at the time of lockdown.

5.4 If however, the applicant had a signed arrangement plan with the municipality, Dihlabeng Local Municipality will also consider the adherence to the payment arrangement plan signed by the debtor (applicant). The previously signed arrangement amount may be reduced.

5.5 An account that is not in good standing will immediately disqualify the application of the applicant.

Please note that no exception will be made regarding the good standing of the account.

6. Settlement Discount

6.1 Dihlabeng Local Municipality will further adjust the settlement discount to 35%, if the following conditions are met:-

6.2 The debtor must settle the payable amount (after deducting the discount offered by the municipality), in a lump sum.

6.3 The debtor must have not received any discount in, any form, on the said account (where the discount is requested) in the past 3 years.

6.4 This is a once off discount which only apply during the COVID-19 disaster period, after which, normal rates will apply.

6.5 The applicant may only apply for either Debt Relief Plan **OR** Settlement discount.