



COVID 19 – INFORMATION

UPDATED 30/09/2020

SUPPORT FOR EMPLOYEES, BUSINESSES AND SELF EMPLOYED

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[1. EMPLOYEES](#)

Unable to work due to Covid19

People who cannot work due to coronavirus and are eligible for Statutory Sick Pay will get it from day one, rather than from the fourth day of their illness. Changes in legislation will ensure this measure applies retrospectively from 13 March 2020

Statutory Sick Pay will be payable to people who are staying at home on government advice, not just those who are infected from 13 March 2020 after regulations were laid on 12 March 2020 – employers are urged to use their discretion about what evidence, if any, they ask for.

If employees need to provide evidence to their employer that they need to stay at home due to coronavirus, they will be able to get it from the NHS 24 (111) Online instead of having to get a fit note from their doctor.

For avoidance of doubt, from 28th May a new statutory instrument adds a person who has been notified to self-isolate due to contact with a person infected with COVID-19 to list of qualifying people.

The Statutory Sick Pay (General) (Coronavirus Amendment) (No. 4) Regulations 2020 (SI.No.539/2020) amend the Schedule to the Statutory Sick Pay (General) Regulations 1982 to provide

that a person who has been notified that they have had contact with a person with coronavirus (COVID-19), and who is self-isolating for 14 days from the latest date on which that contact occurred, or a date specified in the latest notification, will be deemed to be incapable of work.

[SI.No.539/2020](#) is available from legislation.gov.uk

A one off payment of £500 to support those on low incomes who have to self-isolate is now available, further details can be found in Bulletin 2.

2. JOB RETENTION SCHEME

The Government launched the Job Retention Scheme to assist employers who risked having to lay off workers due to Covid-19.

Mr Sunak announced that the Government would pay 80% of salary for staff who are kept on by their employer, covering wages of up to £2,500 a month. These measures were intended to stop workers from losing their jobs because of the financial burdens of the crisis.

The wage subsidy applied to all employers, some of which may have already had to lay off workers due to the coronavirus, as long as they were brought back into the workforce and instead granted a leave of absence. Anyone who was in employment as of 28/02/20 was eligible even if they had been laid off or had voluntarily left after this date but have since been taken back on by the employer.

The employers were required to update their records with HMRC to classify the employee as 'Furloughed' which will allow them to claim the 80% subsidy to pay staff members.

Job Retention Scheme to end

The government then outlined its plan to bring the Coronavirus Job Retention and Self-Employment Income Support schemes to an end.

The Chancellor Rishi Sunak confirmed that the government will continue to pay 80 per cent of the wages of furloughed workers up to a monthly cap of £2,500, during June and July but from August employers will need to take on responsibility for the payment of employer national insurance and pension contributions;

This is outlined as follows:

From July - Businesses will be able to bring furloughed workers back part time from 1 July, which is a month earlier than previously announced. Employers will be required to pay the wages of their staff who return to work part time in July, but will still receive a government contribution for the hours the employee isn't working.

The job retention scheme will continue to operate in the same way since its launch during June and July (if staff do not return part time) with the government paying 80% of wages up to £2,500 for furloughed staff.

From August the government contribution will remain at 80%, but employers will be required to pay employer national insurance and pension contributions.

September and October - From September, employees will continue to receive 80% of their wages (up to £2,500) but employers will be required to pay 10% of employees' wages as well as national insurance and pension contributions, with the government's contribution dropping to 70%.

In October, the final month of the scheme, employers will pay 20% of furloughed employees' wages and the government will contribute 60%. As has been the case throughout, employers can top up employees' wages to 100%.

10th June deadline to furlough workers:

These changes will be introduced as a new scheme, with the current system coming to a close on 30 June. However, only employees already furloughed before this date will be eligible. This means that organisations looking to make use of the new scheme will need to ensure their staff are furloughed by 10th June to meet the minimum three weeks required by the current scheme before it ends.

For more information, see the [GOV.UK website](#).

3. NEW JOB SUPPORT SCHEME

On 24th September the Chancellor outlined the basis of the New Job Support Scheme and how it will operate when the current Job Retention Scheme ends in October. A fact sheet is available [here](#)

Details are still being finalised however it is expected that the Scheme will open on 1st November and run for 6 months and is intended to help businesses facing lower demand over the Winter Months to protect employee jobs.

To be eligible you must have been on your employer's PAYE payroll on or before 23 September 2020.

You still have to be able to work at least a third of your normal hours. This will be paid in full by your employer.

For the hours you can't work, the cost is usually split 3 ways – the Government's contribution is capped at just under £700/mth.

The 3 way split works as follows: The Government pays a third - capped at £697.92/month, your employer pays a third and you lose a third. Whilst the Government contribution is capped, it's unclear at present if the employer's contribution will also be capped – The Chancellor has indicated further guidance on this will be published in due course.

National Insurance and pension contributions will remain payable by the employer

If you earn less than £38,000/yr, you won't be affected by the cap and you should get at least three quarters of your usual pay. If you're eligible for the Job Support Scheme and working at least a third of your hours, you should get at least 77% of your usual pay - 55% paid for by your employer and 22% by the Government.

If you earn more than £38,000/yr, you will be affected by the cap and you could get less than the 77%

The scheme is open to most employers and all small and medium-sized businesses are eligible. It's UK-wide and open to both employers who took part in the furlough scheme and employers who didn't. This means even if you weren't furloughed, you can still be eligible for this new scheme. Employees cannot be on a redundancy notice while taking part.

Those on zero hour contracts and irregular hours WILL be eligible. The Government says there will be "calculations for those with variable working patterns" details of which it will publish in due course.

It's not yet clear whether overtime, commission and bonuses will be covered by the Job Support Scheme. While some forms of overtime and commission were covered by the furlough scheme (if they were part of regular, contractual pay), it's not yet clear whether they will be covered by the Job Support Scheme. The Treasury has said it will publish further guidance on this in due course.

Employers using the Job Support Scheme will also be able to claim the Job Retention Bonus if they meet the eligibility criteria.

A helpful video and chart depicting how much support you'll get based on the number of hours worked is available on the MSE website [here](#)

4. ANNUAL LEAVE ENTITLEMENT FOR WORKERS

On 27th March, the Government brought into force Regulations allowing workers who have not taken all of their annual leave due to the effects of COVID-19, to carry over up to 4 weeks unused annual leave into the next 2 leave years.

Workers in key industries where there is increased demand and/or staff shortages may be asked not to take leave, or if practical cancel any existing leave requests. These new regulations will protect both employees and employers during this time.

The Government changes are designed:

- to ensure that all employers affected by COVID-19 have the flexibility to allow their workers to carry over holiday at a time when granting annual leave could leave them short-staffed;

- to ease the requirements on employers to ensure that their workers take their annual holiday in any one year;
- to ensure workers do not lose out on annual holiday entitlement where it was 'not reasonably practicable' for them to take some or all of their holiday in the leave year as a result of the effects of COVID-19.

Furloughed workers to receive full parental leave entitlement.

In a press release by Government on 24th April 2020 they have stated that any furloughed workers planning to take paid parental or adoption leave will be entitled to pay based on their usual earnings rather than a furloughed pay rate.

Please also see Bulletin 2. For amendments to statutory family benefits for furloughed workers.

<https://www.gov.uk/government/news/furloughed-workers-to-receive-full-parental-leave-entitlement>

4. ADDITIONAL SUPPORT FOR BUSINESSES

In addition to support paying salaries, a range of other measures including deferring Valued Added Tax (VAT) payments for 3 months, and deferring Income Tax payments due in July 2020 under the Self-Assessment system to January 2021 have been implemented.

New legislation will allow companies to apply for a refund of up to 2 weeks SSP paid to eligible employees because of Corona Virus.

Business grants and loans are also available and eligibility depends on the size of the company or organisation and number of employees. See the following link for more information:

<https://www.gov.uk/government/news/coronavirus-business-support-to-launch-from-today>

Coronavirus Bounce Back Loan

This scheme will launch on 4 May 2020 and will help small and medium-sized businesses affected by coronavirus (COVID-19) to apply for loans between £2,000 and £50,000.

- The government will guarantee 100% of the loan and there won't be any fees or interest to pay for the first 12 months.
- Loan terms will be up to 6 years.
- No repayments will be due during the first 12 months.
- The government will work with lenders to agree a low rate of interest for the remaining period of the loan.

The scheme will be delivered through a network of accredited lenders. More information about the scheme including eligibility and how to apply is available at.

<https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

5. ASSISTANCE FOR SELF EMPLOYED updated

SEISS – GRANT 1

Previously assistance was announced in the form of relaxed MIF (Minimum Income Floor) restrictions for Universal Credit Claims (*See Info Sheet 2*), Business Interruption Loans and Deferred Tax and VAT payments (*which have now been extended to January 2021*). The first scheme to provide assistance for Self-employed workers was announced by the Chancellor on 25th March.

As with the Job Retention Scheme. The first grants were worth up to 80% of self-employed profits, capped at £2,500 per month. This was calculated based on tax returns for 2016/17, 2017/18 and 2018/19 if self-employed over that period.

For those who became self-employed after April 2018, their 2018/19 tax return was used instead.

It is worth noting that if someone only has a few months' self-employment on their 2018/19 tax return, this will be used as the total profit for the year - the Government won't pro-rata it based on average monthly profits.

Who is eligible for the Self-employment Income Support Scheme?

Not all self-employed people can access this help. Those that can need to have:-

- traded in the tax year 2019-20
- are trading when they apply, or would be if not restricted by COVID-19
- intend to continue to trade in the tax year 2020-21
- have lost trading/partnership trading profits due to COVID-19
- At least half of applicant's taxable income needs to have come from self-employment
- Have trading profits of less than £50,000 per year

Those who do not qualify are signposted to the previous methods announced such as the Business Interruption Loan which is now open for applications, and is offered by all major banks. More info is available on the Government's Business Support website <https://www.gov.uk/coronavirus/business-support>

Those eligible for the scheme should have been contacted by HMRC either by letter, text or email. If you believe you were eligible but you've not heard from HMRC, use its [eligibility tool](#) to check if you're eligible for the new schemes and, if necessary, arrange an application appointment.

Applications to the first scheme closed on 13 July 2020. Claimants were not required to prove coronavirus impact for the first grant, though it was necessary to declare your business has been impacted on or after 14 July 2020 for the second grant, with HMRC checking for fraudulent claims.

SEISS GRANT 2 – Deadline 19/10/20

The Self-Employment Income Support Scheme (SEISS) – for individuals whose businesses have been adversely affected by coronavirus – was extended and eligible people were able to claim a second grant from August.

The first grant which opened for applications on 13th May, covered three months – March, April and May – and the grants were worth up to 80% of profits, capped at £2,500 per month, or £7,500 in total.

The second grant covers June, July and August, and will be capped at £2,190 per month, or £6,570 in total. The deadline to apply for this grant is **Monday 19th August**.

SEISS – GRANT 3 Announced

The third grant in the SEISS will be due to open shortly and will cover the period from 1 November 2020 to 31st January 2021.

This will be a lump sum covering 20% of three months' worth of average monthly profits up to a total of £1,875. Again claimants will be asked to declare that their business has been impacted between 1 November and the date of claim.

The eligibility criteria is the same for all of the grants that have been announced to date, the main eligibility criteria is that a person/partnership must be actively trading and intend to continue to trade. You will need to declare that you are trading and intend to continue to trade when you apply.

The latest Factsheet on the Self Employment Income Support Scheme (SEISS) is available below:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921386/FINAL_SE_factsheet.pdf

SEISS Grant 4

Details of this grant are still to be published but this is expected to cover the period 1st February 2021 to 30th April 2021.

Self-Employment and Universal Credit

Self-employed persons accessing the SEISS grant scheme can still make claims for Universal Credit to help boost income and help with housing costs etc. The award made will be calculated based on income. It is worth considering a new claim for UC (if eligible i.e. below savings thresholds), as with the temporary increases in both Local Housing Allowances and Standard Allowances, the overall amounts before income is taken into account in some cases are significantly higher.

Self Employed Income Support Scheme payments won't count retrospectively

At the Work and Pensions Committee on 23rd April, Senior DWP Official Neil Couling confirmed that Universal Credit only takes into account income in the month it has been received. Therefore any self-employed people who had claimed UC, won't have any money received from SEISS retrospectively applied to earlier payments made under Universal Credit.

Minister Will Quince further added that any money set aside for tax liability is considered a business asset and will not be included in the under £16000 rule to allow people to make a Universal Credit claim.

Additional Help in Scotland

On Wednesday 15 April the Scottish Government announced a further £220 million in grants to help businesses, including the recently self-employed.

About £100 million of that support is designed for self-employed people and viable micro and SME businesses in distress due to coronavirus.

Newly Self-employed Hardship Fund

For those who are newly self-employed and facing hardship, the Newly Self-Employed Hardship Fund can provide grants of £2,000. The fund is managed by Local Authorities, and applications opened at the end of April 2020, with recipients receiving funds in early May.

More information on support for Businesses and Self Employed in Scotland can be found at <https://findbusinesssupport.gov.scot/coronavirus-advice/sources-of-funding>

6. EMPLOYERS

The Job Retention Scheme went live on 20th April and employers were able to enter the details for furloughed staff that they wished to claim support for.

Once a claim has been verified it is expected that payments will be made to employers within 6 days.

More details have been updated to verify eligibility for employees which are as follows:

- “you can claim for employees that were employed as of 19 March 2020 and were on your PAYE payroll on or before that date; this means that you will have made an RTI submission notifying us of payment of that employee on or before 19 March 2020”
- “employees that were employed as of 28 February 2020 and on payroll (i.e. notified to us on an RTI submission on or before 28 February) and were made redundant or stopped working for you after that, and prior to 19 March 2020, can also qualify for the scheme if you re-employ them and put them on furlough.”

More information on this can be found on GOV.UK.

Additional guidance has been issued by HMRC for employers reporting payments to employees under the Coronavirus Job Retention Scheme through the Real Time Information (RTI) system.

The HMRC guidance [Reporting payments in PAYE Real Time Information from the Coronavirus Job Retention Scheme](#) is available from gov.uk

The Scottish Government and the Scottish Trades Union Congress (STUC) made a joint statement on fair work expectations at the start of the pandemic, which still applies now: it said that no worker should be financially penalised by their employer for following medical advice, and any absence from work relating to COVID-19 should not affect future sick pay entitlement, result in disciplinary action or count towards any future sickness absence related action. This statement applies to workers who are sick or self-isolating under the Test and Protect strategy.

The Job Retention Bonus

The Job Retention Bonus is a one-off payment to employers of £1,000 for every employee who they previously claimed for under the Coronavirus Job Retention Scheme, and who remains continuously employed through to 31 January 2021.

Eligible employees must earn at least £520 a month on average between the 1 November 2020 and 31 January 2021.

Employers will be able to claim the Job Retention Bonus after they have filed PAYE for January. Payments will be made to employers from February 2021.

Find out more about the Job Retention Bonus, including eligibility, which employees can be claimed for and how to get the bonus [here](#)

**If you have any further questions about any of the above topics,
or if you require Housing Advice or Information**

**Email advice@ayrhousingaidcentre.com or call, text or whatsapp us on 07549 603895 /
07760750256 or contact us via facebook at <https://www.facebook.com/ayrhac>**