



## COVID 19 – INFORMATION

UPDATED 17/11/2020

# 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 28<sup>th</sup> 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](http://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 - UPDATED**

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 - UPDATED**

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%.

#### **10<sup>th</sup> 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](#).**

### **FURLOUGH SCHEME EXTENDED FROM NOVEMBER 2020 – MARCH 2021**

The Coronavirus Job Retention Scheme, more commonly known as the furlough scheme had been due to end on 31 October. But the Prime Minister announced at the last minute that it would be extended until December – and a few days later that it would be extended further into March 2021.

- As the furlough scheme will now run until the 'end of March' across the UK, the new Job Support Scheme, which had been due to start in December after furlough ended has been postponed.
- Employees who have been furloughed will continue to get 80% of their salary for hours not worked, up to a maximum of £2,500/mth. As before, the Government will pay that 80% and employers will only be asked to cover national insurance and employer pension contributions for hours not worked.
- The scheme is expected to be reviewed in January, at which point the Government will review whether "economic circumstances are improving enough" to ask employers to increase what they contribute towards furloughed employees' pay for hours not worked.

- It allows people to work part-time while on furlough or be furloughed full-time. Allowing businesses to have flexibility to use the scheme for employees on any hourly contracts or shift patterns. Those on zero-hours contracts and fixed-term contracts, as well as agency workers, are included.
- An employer who hasn't used the scheme previously can still apply to use the scheme now, as long as they have employees on PAYE payroll at Friday 30 October 2020. Also if employees have been made redundant or left voluntarily at risk of being made redundant can be re-employed and eligible for the scheme as long as they meet criteria of having had a Real Time Information Payroll submission made on their behalf on or before 23<sup>rd</sup> September and left after this date.

### **3. NEW JOB SUPPORT SCHEME – POSTPONED**

The new Job Support Scheme, which had been announced on 24th September to start when the current Job Retention Scheme came to an end in October, will no longer apply as a result of the Furlough Scheme being extended.

### **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 24<sup>th</sup> 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 was Monday 19<sup>th</sup> August.

## **SEISS – GRANT 3**

The third grant in the SEISS will cover the period from 1 November 2020 to 31<sup>st</sup> January 2021.

Initially this was announced to be a lump sum covering 20% of three months' worth of average monthly profits up to a total of £1,875 with claimants asked to declare that their business has been impacted between 1 November and the date of claim. **This has now increased see below:**

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

## **SEISS Grant 4**

This will cover the period February – April 2021

## **Boost to self-employment support grant announced 5th November 2020 - Updated**

The Government announced that it would double the support available in November from 40% to 80% of trading profits.

The third SEISS grant will now be worth 80% of trading profits for three months, capped at £7,500. This has gradually risen since the scheme was first announced – from 20%, to 40%, 55% and now 80%. At 80%, it's the equivalent of the support offered through the furlough scheme.

Applications will open on Monday 30 November and cover 1 November 2020 to 31 January 2021, and will be paid in a single instalment.

### **Who can claim it?**

You can claim if you're actively trading OR were until recently and are temporarily unable to due to coronavirus.

You'll need to declare you've been affected since Sunday 1 November by reduced demand due to coronavirus in order to claim. And crucially you must have been **eligible** for grants one and two, even if you didn't apply. This means you must have filed a tax return for 2018/19, earn more than 50% of your total income from self-employment, and your average trading profits must be no more than £50,000/year.

### **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 23<sup>rd</sup> 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>

Additionally the minimum income floor used to calculate universal credit payments for the self-employed will remain suspended until April 2021 due to the ongoing impact of COVID-19. **See Bulletin 2 for more information.**

## **6. EMPLOYERS – UPDATED**

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.”
- If an employee was been made redundant before the extension to the Furlough scheme was announced they can be rehired and furloughed as long as a Real Time Information payroll submission was made for them on or before 23 September 2020 AND they were made redundant or left voluntarily after 23 September 2020. See full rehiring and furloughing help.

See:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/932077/ECONOMIC\\_SUPPORT\\_UPDATE\\_NOVEMBER\\_FINAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932077/ECONOMIC_SUPPORT_UPDATE_NOVEMBER_FINAL.pdf)

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 - SUSPENDED**

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](#)

### **Due to the extension of the Furlough Scheme, this bonus will no longer apply.**

This was set to be a grant for employers who retained staff after the furlough scheme ended, but with the furlough scheme now running beyond February, it no longer applies. The Government says it will "redeploy a retention incentive at the appropriate time", it is unclear at this time if it will be the planned Jobs Retention Bonus or something new.

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

**Email [advice@ayrhousingaidcentre.com](mailto:advice@ayrhousingaidcentre.com) or call, text or whatsapp us on 07549 603895 /  
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