

Covid-19: Income for workers and self-employed people

[Coronavirus Job Retention Scheme](#) – This guidance relates to the scheme as a whole. Guidance on how to use the flexible furlough option is [below](#).

Eligibility

- All UK businesses are eligible, including charities and public authorities.
- Businesses may claim for full time employees, part-time employees, employees on agency contracts, and employees on flexible or zero-hour contracts who were employed on or before 19 March 2020. Employees that were employed as of 28 February 2020 and on payroll and were made redundant or stopped working for the employer after that and prior to 19 March 2020, can also qualify for the scheme if the employer re-employs them and puts them on furlough.
- Businesses may also claim for apprentices and eligible non-employees, including office holders (including company directors), salaried members of Limited Liability Partnerships (LLPs), agency workers (including those employed by umbrella companies) and limb (b) workers.
- Further guidance on which employees and workers businesses can claim for is set out below.

General terms of the scheme

- Furloughed employees will be paid at least 80% of their salaries up to £2,500 throughout the duration of the scheme.
- The scheme may reimburse wages paid from 1 March 2020.
- Employees with more than one job may be furloughed by each of their respective employers separately and the cap applies to each wage individually.
- Employees placed on furlough may not undertake work for the company.
- A furloughed employee may take part in volunteer work or training, as long as it does not provide services to or generate revenue for, or on behalf of the business. If an employee is undertaking training they must be paid at least the National Minimum Wage.
- For employees whose pay varies:
 - If they have been employee for a full twelve months prior to the claim, businesses can claim for the higher of either the same month's earning from the previous year or the average monthly earnings from the 2019-20 tax year.
 - If they have been employed for less than a year, businesses should use a pro-rata for their earnings so far to claim

Government grants and employer contributions

- Until July 31st, HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage.
- From August 1st to August 31st, HMRC will still cover 80% of furloughed workers' pay up to a cap of £2,500 but employers will be asked to cover employer National Insurance contributions and pension contributions.
- From September 1st to September 30th, employers will additionally cover 10% of furloughed workers pay, with the Government covering the remaining 70%. The £2,500 cap still applies to the total paid by the employer and the government.
- From October 1st to October 31st employers will be asked to cover 20% of furloughed workers' pay with the government covering the remaining 80%. The £2,500 cap still applies to the total paid by the employer and the government.
- The scheme will end on October 31st.

General guidance as to when employees can and cannot be furloughed

- Employees on unpaid leave cannot be furloughed unless they were placed on unpaid leave after 28 February.
- Employees that were made redundant, or they stopped working for a business on or after 28 February 2020 may be re-employed and put on furlough under this scheme.
- If an employee is eligible for Statutory Maternity Pay (SMP) or Maternity Allowance, the normal rules apply, and they are entitled to claim up to 39 weeks of statutory pay or allowance.
- Employees who are unable to work because they have caring responsibilities resulting from coronavirus (COVID-19) can be furloughed. For example, employees that need to look after children can be furloughed.
- Employers can claim for furloughed employees who are shielding in line with public health guidance (or need to stay home with someone who is shielding) if they are unable to work from home and would otherwise be made redundant.
- Employees on fixed term contracts can be furloughed. Their contracts can be renewed or extended during the furlough period without breaking the terms of the scheme. Where a fixed term employee's contract ends because it is not extended or renewed, businesses will no longer be able claim grant for them.
- If an employee is on sick leave or self-isolating, they will be able to get Statutory Sick Pay. Businesses cannot claim for employees while they are getting Statutory Sick Pay, but they can be furloughed and claimed for once they are no longer receiving Statutory Sick Pay.

How to apply

- Employers should designate affected employees as 'furloughed workers,' and notify their employees of this change.
- Employers should make their claims using the amounts in their payroll - either shortly before or during running payroll. If appropriate, worker's wages should be reduced to 80% of their salary within your payroll before they are paid. This adjustment will not be made by HMRC.
- In order to claim employers will need:
 - their ePAYE reference number

- the number of employees being furloughed
- the claim period (start and end date)
- amount claimed (per the minimum length of furloughing of 3 weeks)
- their bank account number and sort code
- their contact name
- their phone number
- HMRC will check employers' claims and pay the amount to applicants by BACS to a UK bank account.
- A step by step guide is available [here](#).

Guidance to flexible furloughing

Which employees can be flexibly furloughed on the scheme?

- From 1 July 2020, CJRS grants will only be given for employees that have been on furlough for at least three consecutive weeks between 1 March and 30 June 2020. This means the last date on which an employee could be placed on furlough for the first time and still benefit from the scheme in July was 10 June 2020.
- It is not necessary that the employee be on furlough on 30 June as long as they were furloughed for any 3 weeks between 1 March and 30 June.
- The Scheme will be closed to new entrants from 30 June 2020.
- There is an exception to these rules for employees who have been on maternity, shared parental, paternity, or parental bereavement leave, and they are returning after 10 June 2020.

How will flexible furloughing work?

- From 1 July 2020, employees will be allowed to work part-time and be furloughed part-time. Employers and employees should agree what the working arrangements will be and can make several consecutive agreements.
- Employers will be required to pay employees' normal wages while they are working. The government subsidy will only apply to hours when the employee is not working.
- In July, the CJRS grant will amount to 80% of the pay for hours that the employee is not working, subject to the £2,500 cap. In September, the grant will amount to 70% of pay for non-working hours and in October, it will amount to 60%. In September and October, employers will have to pay the remaining 10% and 20% respectively so that employees' pay for time in which they are furloughed is never below 80% of their usual pay for that time.
- The amount of the CJRS grant can be calculated by taking the fraction of furlough hours over the number of hours usually worked in the claim period and applying it to the 80% of wages up to the £2,500 cap.
- The number of hours usually worked will be the normal contractual hours at the end of the last pay period before 19 March 2020. For those with no set contractual hours, usual hours will be the higher number between the average hours worked during the 2019/20 tax year as a whole and the hours worked in the corresponding period during that year.
- While there will be no minimum furlough period after 1 July, there will be a minimum claim period of one week. This is the unit used to determine the fraction of furlough hours over

usual working hours. Because of the scheme's tapering, claim periods must start and end within the same month. Employers may use a claim period of less than a week if it includes the first or last day of the month and a claim has already been made for the immediately preceding period.

How to access the flexible furlough scheme

- Employers must agree with the worker any new flexible furlough working arrangements and confirm that agreement in writing. Employers can enter into several successive furlough agreements to ensure maximum flexibility.
- Employers must a written record of the agreed flexible furlough working arrangements. This must be kept for at least five years.
- Employers must also keep records of how many hours the worker works and the number of hours they are furloughed. According to records of all claims and calculations must be kept for at least six years and must include:
 - amounts claimed and the claim periods for each employee;
 - claim reference number;
 - calculations used when preparing the claims
 - usual hours worked by flexibly furloughed employees (including the calculations used to reach those figures);
 - actual hours worked by flexibly furloughed employees.
- Any claims for furlough ending on or before 30 June 2020 must be submitted by 31 July 2020.
- Claims should still be made through the HMRC portal.

Self-employment Income Support Scheme

Eligibility – Self-employed people or members of partnerships can apply if they:

- have submitted their Income Tax Self-Assessment tax return for the tax year 2018-19
- traded in the tax year 2019-20
- are trading when you apply, or would be except for COVID-19
- intend to continue to trade in the tax year 2020-21
- have lost trading/partnership trading profits due to COVID-19
- Their self-employed trading profits must also be less than £50,000 and more than half of their income come from self-employment. This is determined by at least one of the following conditions being true:
 - Having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of their total taxable income
 - Having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of their average taxable income in the same period.

Terms

- This scheme allows self-employed people to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for a 3 month period ending in July.

- This scheme has now been extended, with applications opening in August for a second, final 3-month grant. The value of the second grant will be 70% of previous earnings up to £6,750.

How to apply – apply online [here](#).

Statutory Sick Pay (SSP) relief package for SMEs

Eligibility – All small-to-medium UK businesses with fewer than 250 employees are eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020.

The scheme

- Employers will be refunded up to 2 weeks' SSP per eligible employee who has been off work because they
 - have coronavirus; or
 - are self-isolating and unable to work from home; or
 - are shielding because they have been advised that they're at high risk of severe illness from coronavirus.
- The eligible period for the scheme began on 13 March 2020 for those who have coronavirus and 16 April 2020 for those shielding.
- The current rate of SSP is £95.85 per week
- Where an employer pays more than the current rate of SSP in sick pay, they will only be able to reclaim the SSP rate.
- The scheme covers all types of employment contracts, including:
 - full-time employees
 - part-time employees
 - employees on agency contracts
 - employees on flexible or zero-hour contracts
 - Other SSP eligibility criteria apply.
- Employers can furlough their employees who have been advised to shield in line with public health guidance and are unable to work from home, under the Coronavirus Job Retention Scheme. Once furloughed, the employee should no longer receive SSP and would be classified as a furloughed employee.

How to apply – The portal to apply will be available from 26 May 2020. Businesses will need:

- employer PAYE scheme reference number
- contact name and phone number of someone HMRC can contact if they have queries
- UK bank or building society details (only provide bank account details where a Bacs payment can be accepted)
- the total amount of coronavirus SSP paid to your employees for the claim period - this should not exceed the weekly rate that is set
- the number of employees you are claiming for
- the start date and end date of the claim period.