

**Government Employee & Business
Support Measures Amidst COVID-19**

Practical Information

The coronavirus pandemic is set to fundamentally change the way we live our lives. It is an anxious and distressing time, and while the primary concern is health (both mental and physical), our financial wellbeing is also vital.

With thousands of both small and medium-sized business, set to be significantly impacted by the nationwide lockdown, the government have introduced an unprecedented package of support initiatives to assist businesses in the UK and limit short-term economic disruption, throughout this very challenging period. The aim of the measures is to dampen the expected hardship that employees will likely suffer and to help businesses retain a workforce that it can rely upon when business picks up again (thereby avoiding mass redundancies).

We have produced a summary of the latest government measures to support businesses and their employees, as set out by the Chancellor. Please also find links attached, which provide further information on the matters outlined below.

Henwood Court Financial Planning are actively engaging with our business community to help them understand what support they have access to and how they may support their employees. We are also able to sign post you to other trusted professionals who can help in accordance with your specific need.

We are in this together and wish to help as many businesses as we are able. If we can help you then get in touch:

<https://henwoodcourt.co.uk/contact/>

We are also sending regular updates via our news blogs, to receive our news sign-up here (at the bottom of the webpage):

<https://henwoodcourt.co.uk/>

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Financial Support for Workers

1. The Launch of the Coronavirus Job Retention Scheme (CJRS)

What is the support package on offer?

The government have promised to provide grants which will cover 80% (up to a maximum of £2,500 per month), plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on paying those wages of the salary of PAYE employees, who would otherwise have been laid off during the pandemic crisis (otherwise known as ‘workers’). Employers can top up this amount if they wish. Fees, commission and bonuses should not be included.

The Chancellor has confirmed that there would be no limit on funding, as the government believes it is vital to support as many jobs as necessary to assist the economy through this pandemic. It will continue for at least three months and will then be reviewed and extended if necessary.

Who can claim?

The scheme is open to any UK organisation in the country (big and small, private and public), although you must have created and started a PAYE payroll scheme on or before 19 March 2020 and have a UK bank account. The scheme will cover the cost of wages backdated to 1 March 2020 and will be open before the end of April.

Who are the employees you can claim for?

A government announcement on 15 April 2020 outlined that furloughed¹ employees must have been on your PAYE payroll on or before 19 March 2020, and can be on any type of contract, including:

- full-time employees
- part-time employees
- employees on agency contracts
- employees on flexible or zero-hour contracts

The scheme also covers employees who were made redundant since 19 March 2020, if they are rehired by their employer.

‘Furloughed’ workers will not be able to do any work for the company during the period of furlough so, at present, this should be seen as an alternative to redundancies rather than as a subsidy for employment. Employers can choose to provide top-up salary in addition to the grant.

¹ Please refer to the FAQs at the back of this article for more information on furlough.

Which employees cannot be furloughed?

The scheme does not cover employees who are working and on:

- Reduced hours
- Reduced pay
- Unpaid leave unless that began after 19 March 2020

Furloughing employees the process?

To claim under the scheme employers will need to:

- designate affected employees as ‘furloughed workers’ and notify employees of this change. A ‘furloughed’ employee cannot perform any work for the employer during the period for which a claim is made. Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation; and
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal. HMRC will set out further details on the information required. As the portal is not yet live, there is not a specific link available, however, a new website was launched on 24 March 2020 to help businesses find out how to access CJRS:
<https://www.businesssupport.gov.uk/coronavirus-job-retention-scheme/>
- HMRC will reimburse 80% of furloughed workers wage costs, up to a maximum of £2,500 per month.
- The employer may choose to fund the difference but is not obliged to under the terms of the scheme.
- Employees who have been furloughed have the same rights as before, including Statutory Sick Pay entitlement, maternity rights, other parental rights, rights against unfair dismissal and to redundancy payments.
- While HMRC is working urgently to set up a system for reimbursement, we understand existing systems are not set up to facilitate payments to employers. Business that need short-term cash flow support, may benefit from the VAT deferral announcement and may also be eligible to apply for a Coronavirus Business Interruption Loan.

How do I claim?

Employers can submit one claim every 3 weeks via an online portal that HMRC are in the process of setting up. The claim should be made in accordance with the actual payroll amounts.

The following information is needed for the claim:

- PAYE reference number
- The number of employees being furloughed
- The claim period (start and end date)
- The amount being claimed (per the minimum length of furloughing of 3 weeks)

- The bank account number and sort code
- A contact name and phone number

Claims will be checked and if they are eligible, HMRC will pay the grant to the employer using BACS to a UK bank account. Employers must pay the furloughed employees all of the grant they receive for their gross pay.

The online portfolio operated by HM Revenue & Customs is now live and can be accessed here:

<https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>

How long does the scheme run for?

On 12 May 2020, Rishi Sunak announced that the CJRS is to be extended to the end of October 2020, but with several changes. The 80% rate is being retained up to £2,500 per month, removing concerns that the Chancellor would cut the government contribution to 60%.

The major alteration, which will come into force from the start of August 2020, is that workers will be able to return to their jobs part-time. Presently, companies must choose between putting staff into complete furlough, where they do not work at all, or keep them on full pay. From August furloughed workers will be able to return to work part-time with employers being asked to “start sharing” the cost of their furloughed staff salaries. There are currently no further details of what exactly companies will be asked to pay.

Taxation

All employers remain responsible and liable for associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on behalf of their furloughed employees.

If employers choose to provide top-up salary in addition to the grant, the Employer National Insurance Contributions and automatic enrolment contribution on the additional top-up salary, will not be funded through this scheme. Nor will any voluntary automatic enrolment contributions above the minimum mandatory employer contribution of 3% of income above the lower limit of qualifying earnings (which is £512 per month until 5th April and will be £520 per month from 6th April 2020 onwards).

Please find more information on the scheme and how to claim here:

<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

Other Considerations

The grant should be shown as income in the accounts and the tax return of the employer, with the employment costs incurred shown as a deduction, as usual. Employers must make a decision, depending on their circumstances, if and when employees can return to their duties.

2. Support for the Self-Employed

Until Chancellor Rishi Sunak's announcement on Thursday 26 March 2020, support for the self-employed workforce thus far, which represents approximately 4.5 million people (15% of the UK workforce), has been a noticeably inadequate. The justification for the delay has been attributed to the technical complexity in quantifying how to fairly support each self-employed worker.

What is the support package on offer?

Yesterday at 5pm, Rishi Sunak unveiled a £9 billion bailout for self-employed workers hit by the coronavirus epidemic, which will see the government pay 80% of their profits (average over the last three years), up to a maximum of £2,500 per month, for three months and will be extended if necessary. The Treasury said on average a self-employed worker would benefit by £940 a month.

Who is eligible for the initiative?

Any individual who is self-employed and has previously submitted a tax return can benefit from the initiative, even if you missed the January tax return deadline, you can still be eligible if it is filed within the next four weeks.

However, there are significant restrictions, which are detailed below:

- Individuals who have earned an average of more than £50,000 will not benefit and consequently, approximately 200,000 people are estimated to miss out.
- Anyone who has set themselves up as a company and pays themselves through a dividend will not be eligible. You also have to earn more than 50 per cent of your income from self-employment.
- You must be able to prove that you have lost money as a result of COVID-19 upon submitting your online application.

The Chancellor believes that out of 5.75 million registered self-employed workers about 3.8 million will be eligible for the scheme.

When will the grant payments be made?

Due to the scheme's complexity, this grant will not be in place until June and therefore, the Treasury has advised people to claim Universal Credit until the system is live online. However, the payments will be backdated to March.

How do I apply?

If eligible, HMRC will contact the individual directly, requesting them to apply online. You must complete the form, detailing profits over the last 3 tax years and declare that you have lost money due to the coronavirus outbreak. Once assessed and accepted, you will receive a grant directly into your nominated bank account.

What about people who only recently became self-employed?

Individuals who do not have three years' worth of tax returns will be remunerated on the basis of one or two years. Anyone who became self-employed very recently and therefore is not filling in a tax return for this past year is not eligible for the scheme and needs to look at other forms of government support, such as applying for Universal Credit.

Watch the sting in the tail

The Chancellor outlined that given the scale of support from the state revealed yesterday, it is now only fair that the self-employed should contribute more in future, hinting at a potential future increase in national insurance for the self-employed (currently 9%), so it aligns with national insurance for employed workers (currently 12%).

Other support initiatives include, a postponement of the minimum income floor for everyone, meaning the self-employed can access universal credit (or new style Employment and Support Allowance) at same rate as statutory sick pay (£94.25 per week), if you are sick or if you have been advised to self-isolate because of COVID-19. Furthermore, you will now be able to claim universal credit from day one, instead of day eight.

You can make a claim for new style Employment and Support Allowance on the Government's website and you will need to fill in a NSESAF1 claim form, which can be found here:

<https://www.gov.uk/government/publications/new-style-employment-and-support-allowance-esa-claim-form>

In addition, for individuals who make self-assessment payments on account, the July 2020 payment is deferred until 31 January 2021. This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

Furthermore, The government has also pledged to postpone its IR35 reforms and legislation to April 2021, to support the self-employed, freelancers and sub-contractor workforce during the COVID-19 crisis.

3. Mortgage and Rental Support

The government have announced that mortgage lenders had agreed to support customers experiencing personal financial difficulties as a result of Coronavirus (Covid-19). The support includes the following:

- 3-month payment holidays offered to Help to Buy equity loans
- 3-month payment holidays offered to Buy to Let mortgages
- 3-month payment holidays offered for Residential mortgages

Remember, you still owe the amounts that you do not pay, as a result of the payment holiday and interest will continue to be charged on the amount you owe throughout.

Your lender should not need any evidence that your income has been affected by coronavirus, whilst, taking a payment holiday will not impact your credit score. Furthermore, if you are behind with your mortgage payments you can still have a payment holiday.

Lenders are also temporarily stopping repossession actions.

You should contact your specific lender, if you think you may potentially experience payment difficulties as a result of the coronavirus situation.

Please find more information here:

<https://www.gov.uk/government/news/payment-holidays-offered-to-help-to-buy-homeowners-affected-by-covid-19>

Financial Support for Businesses

1. Deferral of VAT Payments

With immediate effect, the government have announced that next quarter's VAT payment for UK businesses, that would otherwise have been due between 20 March to 30 June 2020, will be deferred. Businesses will then have until the end of the 2020-21 tax year (assumed to mean the end of the company's VAT year, in March, April or May 2021, although this is not clear from the announcement) to settle any liabilities that have accumulated during the deferral period.

The deferral applies automatically, and businesses do not need to apply for it. VAT refunds and reclaims will be paid by the government as normal.

2. HMRC's Extension of Time to Pay UK Taxes

HMRC are open to discussions for delaying UK taxes for those businesses experiencing cash-flow issues arising from Coronavirus, via a new dedicated HMRC COVID-19

helpline: 0800 0159 559. It is recommended that businesses contact HMRC at the earliest opportunity to agree any potential tax deferrals.

We understand that it can take time to get through on the line, so you should have as much detail to support your grant or tax deferral discussion.

HMRC will discuss your specific circumstances to explore:

- agreeing an instalment arrangement
- suspending debt collection proceedings
- cancelling penalties and interest where you have administrative difficulties contacting or paying HMRC immediately

We understand that HMRC has not been issuing either written confirmation of payment deferral agreements or even a tax reference. Therefore, it is advised that you keep detailed records of the conversation including the name of the person you spoke to, the date and time so that you have a record of the agreement to a payment deferral and that no interest will be charged by HMRC.

3. Statutory Sick Pay (SSP) Refunds

If your business has less than 250 employees (as at 19 March 2020), you can reclaim Statutory Sick Pay cost, caused by COVID-19, up to a maximum of 2 weeks (14 days) per employee. The government will refund the cost of this to you. A rebate scheme is currently being developed. Further details will be provided in due course once the legalisation has passed. See more information here:

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

In order to be eligible for the changes to Statutory Sick Pay, you must keep records of the employee's absence and SSP payments. Please note, that the employee will not typically need to provide a doctor's note.

4. Coronavirus Business Interruption Loan Scheme (CBILS)

The new COVID-19 Business Interruption Loan Scheme will see the offering of British Business Bank-backed loans through high street banks and other lenders, to cover up to 80 per cent of a business' losses arising from Coronavirus, with no interest payments for 12 months (instead of the six months announced previously). CBILS can provide loans from £1,000 up to a maximum of £5 million, aiming to support small and medium-sized businesses. This new temporary CBILS will be available from 23 March 2020 to support businesses to access bank lending and overdrafts.

Contact your bank and request a government-backed business interruption loan.

To be eligible for the business interruption loan scheme you must:

- Be based in the UK
- Have an annual turnover of less than £45 million
- Operate within an eligible industrial sector (a small number of industrial sectors are not eligible for support)
- Have a sound borrowing proposal but have inadequate security to meet a lender's normal requirements
- Have filed any accounts and tax returns due (even if your tax is not necessarily fully paid)
- Be able to confirm that you have not received other public support of de minimis state aid beyond €200,000 equivalent over the previous three years.

Please refer to British Business Bank website, where you can view the 40 accredited lenders:

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

The borrower always remains 100% liable for the debt.

Please note, The British Business Bank, the government body that is overseeing the scheme has informed lenders they have discretion over the security they require. Lenders have the power to insist on personal guarantees when issuing the government-backed loans to business owners. Therefore, although the business owner's main residence would be protected, the bank could go after other personal assets if business goes under and they cannot afford to pay off the debt.

However, Royal Bank of Scotland, which also owns NatWest, has confirmed it will offer business interruption loans without asking business owners for personal guarantees; proving that more charitable terms can be offered. This should increase pressure on other lenders to follow suit.

Story below.

<https://www.bbc.co.uk/news/business-52043896>

5. Business Rates Relief

If your business falls within the retail, hospitality or leisure sector, you will be exempt from business rates for the 2020/21 tax year. Nursery businesses will also be exempt from business rates in 2020/21.

6. Grant Funding for Small Business

If you have a business based in the England and in the retail, hospitality or leisure sector with a rateable value of under £15,000, you will receive a grant of £10,000.

Businesses in these sectors with a rateable value of between £15,001 and £51,000, will receive a grant of £25,000. To access the scheme, you do not need to do anything. Your local authority will write to you if you are eligible for this grant.

Properties that will benefit from the relief will be occupied properties that are wholly or mainly being used as shops, restaurants, cafes, drinking establishments, cinemas and live music venues for assembly and leisure as hotels, guest and boarding premises and self-catering accommodation.

In the Budget, the Chancellor announced a £3,000 grant for businesses that qualify for Small Business Rate Relief or Rural Rate Relief. This has subsequently been increased to £10,000. This will be administered by the local authority from early April and, if you're eligible, you will be contacted directly. You will not need to apply for this grant.

7. Bounce Back Loan Scheme

The Chancellor has announced a new simple 100% guaranteed loan (the Bounce Back loan) of up to £50,000 for small businesses, who are struggling to access credit due to the impact of the Coronavirus outbreak.

Small businesses will, as of Monday 4 May 2020, be able to access loans of up to £50,000 underwritten by the taxpayer, the chancellor announced on Monday 27 April, as he admitted that some small companies affected by coronavirus were struggling to obtain the support they require.

Rishi Sunak stated that small firms would be able to apply for a Bounce Back loan, worth up to 25 per cent of their annual turnover, with the government promising to pay the interest for the first 12 months.

The application process would be a "simple, quick standard form" for firms to fill in and banks would perform only routine checks on applicants. Mr Sunak stated that for most firms who apply, loans will arrive within 24 hours of approval.

More information about the Coronavirus Bounce Back Loan Scheme can be found here: <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

8. Claiming on Insurance Policies

Businesses that have insurance cover for both pandemics and government-ordered closure should be covered. The government and insurance industry confirmed on 17th March 2020 that advice to avoid pubs, theatres, cinemas etc. is enough to make a claim.

Insurance policies differ significantly from provider to provider. Therefore, you should check the terms and conditions of your specific policy and contact your insurer. It's important to note that most businesses are unlikely to be covered, as standard business

interruption insurance policies are dependent on damage to property and will not include pandemics.

Summary

A Matrix of recent Government Initiatives in response to COVID-19

Whatever it takes Matrix			
	Individuals/ Employees	Self-Employed Individuals*	Businesses / Employers*
Coronavirus (COVID-19) helpline – click here	Webchat - Speak to an adviser - for problems paying taxes due to coronavirus (COVID-19), such as: <ul style="list-style-type: none"> • self-assessment. New phone number - 0800 024 1222.	Webchat - Speak to an adviser - for problems paying taxes due to coronavirus (COVID-19), such as: <ul style="list-style-type: none"> • self-assessment; • VAT; • employers' PAYE. New phone number - 0800 024 1222.	Webchat - Speak to an adviser - for problems paying taxes due to coronavirus (COVID-19), such as: <ul style="list-style-type: none"> • self-assessment; • VAT; • employers' PAYE; • corporation tax. New phone number - 0800 024 1222.
Employment income and Self-employed income - click here and here	<p>Coronavirus Job Retention Scheme: will reimburse an employer with up to 80% of the pay of an employee who is not working but kept on the payroll (“furloughed”). Up to a maximum of £2,500 per month, plus the associated employer national insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage.</p> <p>All employers remain liable for associated employer national insurance contributions and minimum automatic enrolment employer</p>	<p>Through the Self Employment Income Support Scheme (SEISS) the self-employed (including partners), the majority of who’s income is derived from self-employment, can secure a taxable direct grant of 80% of their average profit for the three tax years ending with the 2018/19 tax year or a shorter period (even just the 2018/19 tax year) if three years’ accounts are not available. This is subject to a maximum payment of £2500 per month.</p> <p>To qualify, the 2018/19 profit or average profit for up to three years ending</p>	<p>Coronavirus Job Retention Scheme: will reimburse an employer with up to 80% of the pay of an employee who is not working but kept on the payroll (“furloughed”). Up to a maximum of £2,500 per month, plus the associated employer national insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage.</p> <p>All employers remain liable for associated employer national insurance contributions and minimum automatic enrolment employer</p>

	<p>pension contributions on behalf of their furloughed employees.</p> <p>Currently, less than complete clarity in relation to applicability to shareholding directors (“owner managers”).</p>	<p>with 2018/19 must not exceed £50,000. Grant to run for three months and payment (representing a cumulative three months’ rights) is expected in June.</p> <p>Claimants can continue to work and generate profit. HMRC to invite claims based on records they have.</p>	<p>pension contributions on behalf of their furloughed employees.</p> <p>Currently, less than complete clarity in relation to applicability to shareholding directors (“owner managers”).</p>
<p>Sick Pay – click here</p>	<p>Currently £94.25 a week, rising to £95.85 for 2020/21, would be available to employees from day one instead of day four, including for those advised to self-isolate. However, there was no change in the minimum earnings threshold for SSP (£118 a week currently, rising to £120 a week in 2020/21).</p>	<p>See Benefits below.</p>	<p>Businesses with fewer than 250 employees can be refunded for the cost of SSP for up to 14 days. The size of an employer will be determined by the number of people they employed as of 19 March 2020.</p>
<p>Benefits – click here</p>	<p>From 6 April 2020, for 12 months, the standard allowance in Universal Credit (UC) and the basic element in Working Tax Credit (WTC) will be increased by £20 a week over and above the planned annual uprating. This will apply to all new and existing UC claimants and to existing WTC claimants.</p>	<p>For those not entitled to SSP (e.g. the self-employed and gig economy workers), Contributory Employment and Support Allowance (ESA – a basic £73.10 a week for those 25 and over, rising to £74.35 in 2020/21) will be claimable from day one instead of day eight. To ensure that time off work due to sickness is reflected in benefits, the minimum income floor** in Universal Credit (UC) is temporarily removed if an individual gets coronavirus or has to stay at home because of it. The minimum income floor</p>	

		won't apply to anyone after 6 April 2020. This will last until the coronavirus outbreak is over. The stated aim is to ensure every self-employed person can now access, in full, UC at a rate equivalent to SSP for employees.	
Grants – click here		<p>£10,000 grant for all small businesses that qualify for Small Business Rates Relief (SBRR) or Rural Rates Relief. For SBRR, the rateable value of the property used by the business needs to be valued at £15,000 or less.</p> <p>£25,000 grant for businesses in hospitality, leisure and retail whose rateable value is between £15,000 - £51,000.</p> <p>Local Authorities responsible for delivering the funding to eligible businesses. They will then be reimbursed by the Government.</p>	<p>£10,000 grant for all small businesses that qualify for Small Business Rates Relief (SBRR) or Rural Rates Relief. For SBRR, the rateable value of the property used by the business needs to be valued at £15,000 or less.</p> <p>£25,000 grant for businesses in hospitality, leisure and retail whose rateable value is between £15,000 - £51,000.</p> <p>Local Authorities responsible for delivering the funding to eligible businesses. They will then be reimbursed by the Government.</p>
Business Loans – click here		Business interruption loans are available to small and medium businesses from 23/03/2020 for up to £5 million, interest free for 12 months. This scheme will help any viable business with a turnover of up to £45m.	<p>Business interruption loans are available to small and medium businesses from 23/03/2020 for up to £5 million, interest free for 12 months. This scheme will help any viable business with a turnover of up to £45m.</p> <p>From 23/03/2020, the Bank of England's COVID Corporate Financing</p>

			Facility will provide a quick and cost-effective way to raise working capital for those large firms who need it.
Mortgages – click here	For those in difficulty due to coronavirus, mortgage lenders will offer at least a three-month mortgage holiday.		
Renters – click here and here	<p>Emergency legislation to suspend new evictions from social or private rented accommodation while this national emergency is taking place.</p> <p>No new possession proceedings through applications to the Court to start during the crisis.</p> <p>Landlords will also be protected as the three-month mortgage payment holiday is extended to Buy to Let mortgages.</p>	<p>Commercial tenants who cannot pay their rent because of coronavirus will be protected from eviction.</p> <p>No business will be forced out of their premises if they miss a payment in the next three months.</p>	<p>Commercial tenants who cannot pay their rent because of coronavirus will be protected from eviction.</p> <p>No business will be forced out of their premises if they miss a payment in the next three months.</p>

Business Rates - click here and here		Business Rates holiday for businesses in hospitality, leisure and retail, plus estate agents, lettings agencies and bingo halls, for 12 months.	Business Rates holiday for businesses in hospitality, leisure and retail, plus estate agents, lettings agencies and bingo halls, for 12 months.
Self-Assessment payments – click here	Self-Assessment payments due 31 July 2020 deferred until 31 January 2021 - interest and penalty free.	Self-Assessment payments due 31 July 2020 deferred until 31 January 2021 - interest and penalty free.	Self-Assessment payments due 31 July 2020 deferred until 31 January 2021 - interest and penalty free.
VAT – click here		For the period between 20 March 2020 and 30 June 2020, businesses will not need to make a VAT payment. No special application needed. Businesses will have until the end of the 2020/21 to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the Government as normal.	For the period between 20 March 2020 and 30 June 2020, businesses will not need to make a VAT payment. No special application needed. Businesses will have until the end of the 2020/21 to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the Government as normal.
Time to Pay Scheme – click here	Potential to agree payment of tax (e.g. income tax) in interest free instalments. Those who cannot pay because of coronavirus (COVID-19) should contact the HMRC Coronavirus Helpline .	Potential to agree payment of tax (e.g. income tax) in interest free instalments. Those who cannot pay because of coronavirus (COVID-19) should contact the HMRC Coronavirus Helpline .	Potential to agree payment of tax (e.g. income tax /corporation tax) in interest free instalments. Those who cannot pay because of coronavirus (COVID-19) should contact the HMRC Coronavirus Helpline .

*Please note that, because some elements of business support are devolved, the measures a business can access may differ if it is in Scotland, Wales or Northern Ireland.

Information provided by techlink.

Frequently Asked Questions

Furlough

- **What is furlough?**

Furlough is described in the latest Government guidance as simply ‘a leave of absence’. It is a way to keep an employee on payroll when the employer is unable to operate or has no work for you to do because of Coronavirus. This is known as being “on furlough”. Furlough only applies to employees of the company.

- **I started after the 19 March 2020 can I qualify for furlough?**

The government guidelines advise that employees must be on the payroll on the 19 March 2020 in order to be eligible for furlough. Therefore, if you commenced employment post this date you will unfortunately not be eligible for furlough.

- **What if I am on a career break / unpaid leave?**

If you were already on a career break / unpaid leave before the 19 March 2020, then you cannot be placed on furlough. Therefore, you will remain on the career break / unpaid leave until further notice. Please contact HR if you are in this situation for further guidance.

- **Can I do training/studying whilst I am furloughed?**

You can take part in training (and volunteering) whilst furloughed. If you choose to embark on online training this will be on a voluntary basis and whilst it will be unpaid it will allow you to continue to develop your skills whilst you are on furlough.

- **Do I accrue annual leave whilst I am furloughed?**

Yes, you will continue to accrue your statutory annual leave entitlement whilst on furlough.

- **I have annual leave pre-booked and authorised. Will these days be returned to my leave allocation?**

The Government has clarified that employees will be able to carry over any unused part of the minimum statutory annual leave of 20 days to the next two holiday years if it cannot be taken as a result of Covid-19. Therefore, all annual leave which has been booked for the period from 1st April 2020 until 31st May 2020 can be cancelled, added back to your annual leave entitlement and taken at a later date in accordance with our normal procedures. Normal leave provisions remain in place for key workers.

A Professional Obligation

If you wish to speak to us at this unprecedented time, we are here to support and guide you because we have a professional obligation to help as many people as we can, make wise financial and business decisions.

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Disclaimer

The government has made a number of announcements to try to mitigate the significant and adverse effects on business of the coronavirus crisis.

Inevitably, given the speed at which the announcements were made, many of these measures are set out only very briefly at present.

It is to be hoped that more detail will be made available over the coming days, but for now we thought it would be helpful to summarise what we do know.

Please Note

This article is for information only. Please do not act based on anything you might read in this article. All content within this article is based on our understanding of HMRC legislation, which is subject to frequent change at this unprecedented time.