

Guidance for employers and businesses on Coronavirus (COVID-19)

Extracted from Government Advice 20th March 2020

What you need to know

- Keep trading normally for as long as physically possible. The new measures affect businesses who run into financial trouble or are forced to close
- businesses and workplaces should encourage their employees to work at home, wherever possible
- if someone becomes unwell in the workplace with a new, continuous cough or a high temperature, they should be sent home and advised to follow the advice to stay at home
- employees should be reminded to wash their hands (for at least 20 seconds) more frequently, and catch coughs and sneezes in tissues
- frequently clean and disinfect objects and surfaces that are touched regularly, using your standard cleaning products
- employees will need your support to adhere to the recommendation to stay at home to reduce the spread of coronavirus (COVID-19) to others
- those who follow advice to stay at home will be eligible for statutory sick pay (SSP) from the first day of their absence from work at the rate of £94.25 per week
- employers should use their discretion concerning the need for medical evidence for certification for employees who are unwell. This will allow GPs to focus on their patients
- employees from defined vulnerable groups should be strongly advised and supported to stay at home and work from there if possible

Short time working and laying off staff

If employers suffer a downturn in work or need to close their businesses temporarily they may need to lay staff off or reduce their hours. Laying off employees (Furloughed – see Job Retention Scheme below) is where the employer provides its staff with no work (and no pay) for a period while retaining them as employees. The employer can do this if there is a specific term allowing them to do this in the contract of employment.

Similarly, with short time working, an employer can reduce an employee's contractual hours if there is a term in the contract which allows them to do so. If there is no term in the employment contract the employer and employee can agree to a lay-off or reduction in hours and pay.

The employer should consult with employees (and any relevant trade unions or representative bodies) to see whether agreement can be reached. If agreement cannot be reached, the employer may decide (following careful consideration) that it has to take the risk of acting in breach of contract and make the decision to lay off or reduce hours or proceed with a redundancy process.

There is no limit to how long an employer can lay off someone. The employee can apply for redundancy and claim statutory redundancy pay (if eligible) if they have been laid off for four weeks in a row or six weeks in a three-month period. If the employer does not pay them during the period of lay-off, then the employee will receive a statutory 'guarantee pay' of a maximum of £29 a day for five days in any three-month period (pro-rated for part timers).

Help For Business

The Chancellor has set out a package of temporary measures to support people and businesses through this period of disruption caused by COVID-19.

This includes a package of measures to support businesses including:

- a Coronavirus Job Retention Scheme
- deferring VAT and Income Tax payments
- a Statutory Sick Pay relief package
- a 12-month business rates holiday for all retail, hospitality and leisure businesses in England
- grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million through the British Business Bank
- the HMRC Time To Pay Scheme
- Insurance

1) Coronavirus Job Retention Scheme

Under the Coronavirus Job Retention Scheme, all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis.

Eligibility

All UK businesses are eligible.

How to access the scheme

You will need to:

- designate affected employees as 'furloughed workers' (temporary lay off), and notify your employees of this change - changing the status of employees remains subject to existing employment law
- 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)

HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

If your business needs short term cash flow support, you may be eligible for a Coronavirus Business Interruption Loan.

2) Support for businesses through deferring VAT and Income Tax payments

Government will support businesses by deferring Valued Added Tax (VAT) payments for 3 months. If you're self-employed, Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021.

VAT

For VAT, the deferral will apply from 20 March 2020 until 30 June 2020.

Eligibility

All UK businesses are eligible.

How to access the scheme

This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

Income Tax

For Income Tax Self-Assessment, payments due on the 31 July 2020 will be deferred until the 31 January 2021.

Eligibility

If you are self-employed you are eligible.

How to access the scheme

This is an automatic offer with no applications required.

No penalties or interest for late payment will be charged in the deferral period.

HMRC have also scaled up the Time to Pay Arrangement offer to all firms and individuals who are in temporary financial distress as a result of Covid-19 and have outstanding tax liabilities.

3) Support for businesses who are paying sick pay to employees

Legislation is going through to allow small-and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:

- this refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
- employers with fewer than 250 employees will be eligible
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note.
- eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible

Eligibility

You are eligible for the scheme if:

- your business is UK based
- your business is a small or medium-sized and employs fewer than 250 employees as of 28 February 2020

How to access the scheme

A rebate scheme is being developed. Further details will be provided in due course once the legalisation has passed.

4) Support for businesses that pay business rates

Business rates holiday for retail, hospitality and leisure businesses

Government will introduce a business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.

Eligibility

You are eligible for the business rates holiday if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector

Properties that will benefit from the relief will be occupied buildings that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for assembly and leisure

How to access the scheme

There is no action for you. This will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible.

5) Cash grants for retail, hospitality and leisure businesses

The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property.

For businesses in these sectors with a rateable value of under £15,000, they will receive a grant of £10,000. For businesses in these sectors with a rateable value of between £15,001 and £51,000, they will receive a grant of £25,000.

Eligibility

You are eligible for the grant if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector

Properties that will benefit from the relief will be occupied buildings that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for assembly and leisure

How 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.

6) Support for businesses that pay little or no business rates

The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBBR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.

Eligibility

You are eligible if:

- your business is based in England
- you are a small business and already receive SBBR and/or RRR
- you are a business that occupies property

How 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.

7) Support for businesses through the Coronavirus Business Interruption Loan Scheme

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch early next week to support primarily small and medium-sized businesses to access bank lending and overdrafts.

The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments.

Eligibility

You are eligible for the scheme if:

- your business is UK based, with turnover of no more than £45 million per year
- your business meets the other British Business Bank eligibility criteria

How to access the scheme

The full rules of the Scheme and the list of accredited lenders is available on the [British Business Bank website](#). All the major banks will offer the Scheme once it has launched. There are 40 accredited providers in all.

The scheme will be available from early next week commencing 23 March.

8) Support for businesses paying tax: Time to Pay Arrangements

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.

These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

Eligibility

You are eligible if your business:

- pays tax to the UK government
- has outstanding tax liabilities

How to access the scheme

If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 0159 559.

9) Insurance

Businesses that have cover for both pandemics and government-ordered closure should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc is sufficient to make a claim as long as all other terms and conditions are met.

Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers. Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.