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CLARITY IN A TIME OF UNCERTAINTY.

Regular updates throughout the Coronavirus period, to help digital creative agencies to successfully adapt to the changing world.



**EDITION 4
13TH JULY 2020**

**THE FLEXIBLE FURLOUGH SCHEME & THE
CORONAVIRUS STATUTORY SICK PAY REBATE
SCHEME**

Introduction & latest statistics from the Government

Welcome to edition four of the MAP newsletter during the period of Coronavirus. In this edition, we'll take an in-depth look at the flexible furlough scheme which came into effect as of 1st July 2020.

Alongside which, we'll also outline two further support measures which formed part of the Government's support package. These are the Coronavirus Statutory Sick Pay Rebate Scheme and the Local Authority Discretionary Grants Fund.

First of all, we thought we'd provide an update as to the scale of the Government's support measures throughout this period.

All of the following statistics are taken directly from the GOV.UK website and are correct as of 5th July 2020.

Coronavirus Business Interruption Loan Scheme

Value borrowed - £11.49bn
Loans made - 53,536
Applications made - 107,309

Bounce Back Loan Scheme

Value borrowed - £30.93bn
Loans made - 1,013,410
Applications made - 1,240,701

Coronavirus Job Retention Scheme

Jobs furloughed - 9.4m
Employer's using the scheme - 1.1m
Value of claims made - £27.4bn

Self-Employed Income Support Scheme

Total claims made - 2.7m
Value of claims made - £7.7bn

VAT Deferral

Total deferred payments - 496,000
Value of deferred payments - £27.5bn

As always, if you have any worries or queries regarding your business or the schemes covered in this newsletter, please contact a member of the team at MAP.

Flexible Furlough Scheme

From the 1st July 2020, the Coronavirus Job Retention Scheme (CJRS) was repurposed to allow employers to bring back previously furloughed employees for any amount of time and any shift pattern.

What are the features of the new scheme?

Employers remain eligible to claim through the CJRS for any of their employees normal working hours which are not worked

Employers can decide the hours and shift patterns that employees will work on their return

Employers will be responsible for paying employee wages for any hours which are worked

Employees continue to be able to work elsewhere during their furloughed hours so long as they are contractually allowed to

Do we need new agreements and what records should we keep?

Employers should draw up new, flexible furlough agreements with their employees

These can be for any length that the employer deems necessary and records of this should be kept for five years

A reply from the employee accepting this agreement isn't required

Additionally, employers will be required to keep records of hours worked and not worked for employees claimed under the scheme

An employer is not obliged to offer flexible furloughing to their employees and can choose to leave these on full furlough as normal

How does this work with the original scheme?

Employees who were furloughed before 30th June will still need to complete a minimum of three consecutive weeks of furlough even if this takes them past 1st July

From 1st July, there is no minimum required furlough period that must be completed by the employee to claim under the scheme

The scheme closed to new entrants as of 30th June 2020 meaning that only employees who had been previously part of a CJRS claim can be included on subsequent claims until the winding down of the scheme in October

The minimum claim period under the new scheme reduces down to 1 week, however, if MAP process your furlough claim, this will continue to be done in-line with your current payroll dates

The claim process has been amended so that claims under the new scheme need to be kept in-line with calendar months. If your pay period spans more than one calendar month, two separate claims will need to be lodged with HMRC.

How would we do the hours calculation under the scheme?

If MAP process your furlough claim, we will continue to complete the necessary calculations for you. You will just be required to provide us with the record of the employees hours worked and furloughed.

The following process and links are included for reference.

The steps to determine the employees usual working and furloughed hours have been issued by HMRC. These vary depending upon whether the employee is contracted to a fixed or variable number of hours.

Employers should use the variable number of hours calculation if either of these applies:

- your employee is not contracted to a fixed number of hours
- your employee's pay depends on the number of hours they work

The HMRC guidance for this can be viewed [here](#).

For employees who work a fixed number of hours or whose pay doesn't vary dependant upon the number of hours worked, which is likely to be most full-time employees, the steps to follow can be viewed within the guidance issued by HMRC [here](#).

HMRC have also issued some handy examples following these steps and these can be found [here](#).

How are the amounts available to reclaim changing?

As well as repurposing the scheme to be more flexible, the Government are also tapering off the levels of grant that can be reclaimed as the scheme progresses closer to being wound down on 31st October.

One of the changes from 1st July is the way you work out the maximum amount of the claim per employee.

The maximum wage amount is £2,500 a month, or £576.92 a week.

Before 1 July this was the maximum amount you could claim for wages under the scheme.

From 1 July, the calculations are changing, so this isn't necessarily the amount you can claim, but you still need to work this out to allow you to calculate how much your employee should be paid and the amount of grant you can claim towards their wages.

You will also need to work out 80% of your employee's usual wage.

In the subsequent months up until October, the following changes will be made to the scheme:

- August - employers remain able to reclaim 80% of furloughed employees wages however, they will no longer be eligible to receive the Employer's National Insurance or pension contributions back. These will need to be covered by the employer for the remaining months of the scheme

- September - employers will only be able to reclaim 70% of furloughed employee wages, with the monthly cap reduced to £2,187.50. They will need to top-up 10% to bring this up to 80%, as this guarantee remains in place for employees.
- October - employers will only be able to reclaim 60% of furloughed employee wages, with the monthly cap reduced to £1,875. They will need to top-up 20% to bring this up to 80%, as this guarantee remains in place for employees.

Coronavirus Statutory Sick Pay Rebate Scheme

As a temporary response to the Coronavirus outbreak, the Government reversed their previous decision preventing employers from reclaiming Statutory Sick Pay (SSP), paid to employees, from HMRC.

Will my business be eligible?

To be eligible to reclaim SSP back from HMRC, the employer needs to have:

- already paid the employee's sick pay
- confirmed the employee is eligible for sick pay due to Coronavirus
- a PAYE scheme active on or before 28th February 2020
- fewer than 250 employees on 28th February 2020

How do I know if my employee is eligible?

To be eligible to reclaim SSP, employees need to be unable to work due to:

- having Coronavirus symptoms
- self-isolating because they live with someone with symptoms
- self-isolating due to being in contact with someone with symptoms
- shielding due to letter from GP or NHS

Where an employee is returning to the UK from abroad and needs to go into quarantine for 14 days, they are not eligible to be paid SSP. The company, therefore, cannot reclaim this under the scheme.

All types of employment contracts are eligible under the scheme, including:

- full-time employees
- part-time employees
- employees on agency contracts
- employees on flexible or zero-hour contracts
- fixed-term contracts (until the contract end date)

What can be reclaimed?

Two weeks of SSP from the first qualifying day of sickness.

The first qualifying day is the first day that the employee is sick on, which they would usually work.

The Government has outlined the following start dates and applicable symptoms for when the first qualifying day can begin under the scheme:

- 13th March 2020 - the employee has symptoms or is self-isolating due to someone they live with having symptoms
- 16th April 2020 - employee shielding due to Coronavirus
- 28th May 2020 - employee notified by NHS that they've been in contact with someone with Coronavirus.

The amounts that can be reclaimed are:

- £94.25 per week for periods before 6th April 2020
- £95.85 for periods after 6th April 2020

If an amount greater than SSP is paid to the employee, while off sick, the company is restricted to only reclaiming the above amounts back under the scheme.

How do we make a claim?

The claim process is done online through HMRC's PAYE service.

If MAP is your authorised agent, we can file these claims on your behalf.

You'll just need to inform us that the employee is off sick due to one of the reasons outlined above.

What records should I keep to support any claim made?

A doctor's note isn't required to support a claim. Employers can, however, request the following from an employee:

- isolation note from NHS 111 confirming they're self-isolating and cannot work
- NHS or GP letter advising them to stay home, if shielding is required

Additionally, the employer should keep the following records for three years, following the payment of the claim:

- the date that employee was off sick
- which dates were qualifying days
- the reason why they were off sick (self-isolating/symptoms themselves)
- the employee's National Insurance number

How does this work with the Coronavirus Job Retention Scheme?

An employer can claim for an employee through both the Coronavirus Job Retention Scheme and under this SSP rebate scheme, however, this cannot be done simultaneously, for the same period.

The employer is also able to claim for the same employee more than once under the scheme, however, never for more than two weeks in total.

When does the scheme end?

At the time of producing the newsletter, the Government hasn't announced a date when reclaiming under the scheme will end.

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To learn more about how MAP can help you through this period and moving forward, visit wearemap.co.uk email us at hello@wearemap.co.uk or call us on 0161 711 0810

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