

Subject: COVID - Allens Community

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As of this evening we have no further details on the Coronavirus Job Retention Scheme which was announced on Friday evening, nor do we have any news yet on assistance for self-employed workers or freelancers. We do however expect to have further information on both by the end of the week and will send full details as soon as we have it.

Coronavirus Job Retention Scheme

What we know so far:

- Employers can 'furlough' employees instead of making them redundant or laying them off
 - The employee must be informed of this and cannot continue working for the business in any capacity
 - HMRC will reimburse 80% of the salary (up to £2,500 per month) of employees who have been 'furloughed'
 - The employer can pay 100% of the salary or 80% (this requires the employee's consent)
 - The scheme will be backdated to cover 'furloughed' workers' wages from 1st March 2020
 - The scheme is set to run for at least 3 months from 1st March 2020 but will be extended if necessary
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- All UK businesses are eligible
- Payments will be in the form of a grant - **not** a loan
- HMRC expect the first payments to be 'paid within weeks' and certainly 'by the end of April'
- Claims will be made through a new online portal – we will be providing a service to all clients to make these claims and will provide details once we know more

We do not know:

- Whether these payments will be paid directly, or offset against liabilities such as PAYE/NIC
- Which month payroll figures the 80% will be calculated on, although February has been mentioned in the media
- What proof will be required to evidence that employees were "furloughed" ie undertook no work whatsoever
- Whether directors can be furloughed, although some commentators think not as they will need to continue working to run the company. However we hope this will be clarified soon.

Self-employed and Freelance Workers

The chancellor Rishi Sunak this afternoon confirmed that no additional help for [self-employed](#) and [freelance](#) workers will be unveiled today. Mr Sunak promised 'further announcements' but warned 'there are genuine practical and principled reasons why it is incredibly complicated to design'. He added that there were 'genuine questions about practicality, fairness and delivery, which is why it requires careful thought'.

The measures announced so far are:

- Income Tax Self-Assessment payments due on 31st July 2020 will be deferred until 31st January 2021; and
- The self-employed will also be able to access universal credit, in effect, providing them access to statutory sick pay (SSP).

We will provide updates on the above and any other measures to help businesses as soon as we know more.

The best place for information on all government measures to support business during this time can be found at

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

We continue to experience many of the same challenges faced by our clients but will remain open for business throughout.

If you do need to contact us in the meantime please bear in mind that we are, like so many businesses right now, extremely busy and sincerely apologise that we may not be able to deal with your query immediately.

The Allens Team
