

Government Co-Funded Payroll Scheme March 20 – March 31, 2020

Phase 1 - FAQs

What is the aim of the overall scheme?

The aim of the scheme is to help people keep their jobs who would otherwise be made redundant due to COVID-19 and the restrictions in place. The scheme also helps businesses to retain their employees and mean that they can resume normal business activity as soon as possible once restrictions are eased.

Who is eligible for the Phase 1 scheme?

The Phase 1 scheme covers wages from 20 March to 31 March (inclusive).

The scheme is available to support staff paid by businesses within qualifying industries (see appendix for details) where the business has experienced or is highly likely to experience significant detriment due to restrictions put in place to manage the spread of COVID-19.

A business will be able to receive support for staff that have been retained in employment and are being paid at their normal rate during the scheme period.

The scheme is not available to employees earning more than £10,000 a month.

The Phase 1 scheme is designed to support workers who have been working for the business since at least February 2020 and are included on the social security contribution schedule for that month.

Are the self-employed eligible?

Yes, self-employed people in qualifying sectors who pay class 2 social security contributions are able to benefit from the scheme. This includes sole traders and partnerships.

The scheme is not available to Class 2 individuals with business income of more than £10,000 a month.

How much is available under the Phase 1 scheme?

1. For the period 20 March to 31 March, a business in a qualifying industry can apply for support of £300 for a worker who has worked their normal hours during this period and has been paid either:
 - at least £320 per week or
 - at least £1,390 per calendar monthfor pay periods including 20 March to 31 March. For workers earning lower weekly or monthly amounts a payment of 60% of the relevant wage is available.
 - For monthly paid workers the relevant wage is 35% of the usual monthly wage.
 - For weekly paid workers the relevant wage is 35% of the 4 x usual weekly wage.

What do I need to do to claim under the scheme?

Businesses will be reimbursed after wages have been paid. A dedicated online form will be available which will require businesses to provide their contact details, industry, bank details, a schedule of each worker and the wages they have been paid for that month (including social security numbers) and declarations related to each of the conditions of the scheme.

Are there restrictions on the type of employees?

The scheme is available to all types of worker, including those employed on a fixed term contract and zero-hour workers who worked during the period 20 March to 31 March.

Are there any conditions attached to the funding?

The scheme is only available to eligible businesses where the business has experienced or is highly likely to experience significant detriment due to government restrictions put in place to manage the spread of COVID-19.

Payments under the scheme are contingent upon businesses continuing to provide employment for workers who are subsidised under the scheme.

Where a business provides staff accommodation, any worker in that accommodation immediately prior to the start of the scheme must be given the opportunity to remain in that accommodation for the duration of the scheme, whether or not they remain employed by the business.

Where the business has spare capacity from staff included on the scheme, those staff must be made available as needed to government to help with any appropriate activity required to support the government and community actions needed whilst restrictions related to COVID-19 remain in force.

Will this money go to businesses that are not affected by COVID-19?

No, this scheme is only for those that need support. Only businesses that can demonstrate that they have been, or are highly likely to be, significantly adversely impacted by the COVID-19 outbreak should apply. Businesses that are not affected or submit false claims will be required to return any money received, and where fraud is in evidence they will be prosecuted.

When will the first payment be made?

The Phase 1 scheme supports a proportion of March wages for a limited range of business areas. These businesses will also be able to apply for support under the Phase 2 scheme. The Phase 1 payment will be made in April.

The Phase 2 scheme begins on 1 April and payments will be made once a month following the submission of the wage information at the end of April, May and June.

How long will the scheme run for?

The Phase 1 scheme covers the period 20 March to 31 March.

How much does it cost?

The estimated cost for the overall scheme (Phases 1 and 2) is up to £100 million.

How will Government ensure money has been used to pay workers?

Payments to businesses will only be made once workers have been paid. Customer and Local Services will assess and validate claims. Businesses will be audited for compliance and workers may be contacted to confirm that they have been paid. Businesses will be required to repay any funding that is claimed that does not relate directly to wages that have been paid.

Appendix

Businesses included in Phase 1:

- Hotels
- Restaurants
- Bars
- Wholesale
- Retail (excluding food)
- Fisheries
- Hairdressing and other beauty treatment