

Government Co-Funded Payroll Scheme April 1 – 30 June, 2020

Phase 2 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 2 scheme?

The Phase 2 scheme covers wages from 1 April to 30 June (inclusive).

The scheme is available to support staff paid by businesses within qualifying industries (see appendix for details of exclusions) 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, or at least £2,000 a month, whichever is lower.

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

The Phase 2 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. Businesses can make minor amendments to the workers they support through the duration of the scheme from time to time provided they do not increase the total number of employees included and wage levels remain comparable.

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 2 scheme?

From 1 April businesses in qualifying industries can apply for support for 80% of each worker's gross salary paid in that month up to a wage cap of £2,000. This means a maximum cash payment of £1,600 per worker per month.

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 month.

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 that 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?

This Phase 2 scheme begins on 1 April so the first payment will be made following the submission of the wage information at the end of April.

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.

How long will the scheme run for?

The Phase 2 scheme will be available for 3 months from 1 April until 30 June. During this time the scheme will be reviewed and may be extended if needed.

How much does it cost?

The estimated cost for the 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.

How does this differ to the Guernsey scheme?

The Guernsey scheme offers support to workers in a more restricted range of sectors and provides 80% of their minimum wage. The Jersey scheme is available for a much broader range of sectors and pays 80% of each worker's gross wages up to £2,000 a month

How does this differ to the UK Scheme?

The scheme announced by the UK is significantly different to the Jersey scheme. In the UK scheme, employees must be "furloughed" - this means they cannot work. The Jersey scheme does not impose this restriction. If an employer retains an employee in Jersey they should work as far as they are able within the health guidance issued during the duration of COVID-19. Businesses will also be required to provide available staff to support government and community actions, again taking full account of the ongoing health guidance.

Can the employer negotiate wages with the employee during this time?

The UK scheme also prevents an employer from changing the terms of employment of an employee, including wage, if they take up the scheme. In Jersey the scheme will not prevent the employer having a sensible discussion over wage with their employee, for employees earning above £2,000 a month. Wages above this level can be adjusted as long as the wage does not fall below £2,000 a month. This decision has been made with a view that businesses will be more likely to succeed if they are allowed to make sensible business decisions about overheads, including staff costs.

Appendix

Businesses excluded from Phase 2

[USE TABLE ATTACHED]