



Benefits Series

Coronavirus

Date: 4 May 2020

Financial help that you may be able to access

The chancellor has announced radical plans for businesses to apply for funding to protect their 'retained' employees and enable them to pay 80% of their wages which will be a huge relief to many people.

The Government will cover 80% of the wages of 'retained' employees meaning those who would otherwise have been laid off due to the effects of the coronavirus pandemic. The maximum amount will be £2,500 per month for each employee, and the money will be issued through grants which can be paid out to any employer.

The Chancellor stated that the scheme will be open before the end of April, and wages will be paid backdated to 1 March.

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-through-the-coronavirus-job-retention-scheme>

WorkFit candidates



Many of you have been in touch to say that you have decided to temporarily suspend your jobs at the moment. The situation around pay and sick pay is based on who makes the decision to not attend the workplace.

If you are in receipt of Employment and Support Allowance (ESA) and are classed as doing either permitted work or supported permitted work, you will not be able to claim SSP on top of your ESA (if you have symptoms) as you are already receiving a sickness benefit.

If it is your decision not to go into work because of concerns then your employer may not pay in this instance. In theory you should have the same furlough protection as everyone else and if retained then receive 80% of your wage if your employer asks you not to come in (whilst your ESA payment continues as normal).

If you are in receipt of Universal Credit and your wage has reduced, you should notify UC. The majority of our members will have had a work capability assessment (and have limited

capability for work). Having limited capability for work means that you are able to earn extra money before it affects Universal Credit. This is because there is a work allowance similar to the permitted work scheme in ESA.

You should always keep Universal Credit up to date with new changes in income or circumstances.

If you are not on ESA or UC you will be paid SSP from your employer . This at its basic level is £94.25. Many employers will pay a full wage for a set amount of time and you will need to check your contract. After this time you will need to claim Universal credit. Many of our members with Downs syndrome will already be in receipt of these benefits. Keep Universal credit informed though as it works on a sliding scale and will be adjusted accordingly.

The Government has created a dedicated benefit page that you may find useful:

<https://www.understandinguniversalcredit.gov.uk/employment-and-benefits-support/>

If, for any reason, you would not be covered by this, the following may apply.

Employer lays you off (or puts you on short time working)

If there is a clause in your contract (referred to as 'lay off' clause) your employer does not have to pay you, there is no limit to how long you can lay off an employee, but if you have been away from work continuously for 4 weeks or 6 weeks within a 13 week period where no more than 6 weeks are consecutive, then you are able to apply for redundancy pay and resign from your position.

For agency workers, or those on zero hours contract you are not likely to be paid if your employer tells you not to come into work. You need to check your contract.

Guarantee pay

You are entitled to guarantee pay during lay off or short time working. You cannot claim for any day that you do work.

In order to qualify you need to have been continuously employed for 1 month whether full or part time

The maximum you can receive is £29 per day for 5 days in any 3 month period which equates to £145. Those normally earning less than £29 per day will receive their usual amount. For part time workers the entitlement is worked out proportionally.

<https://www.gov.uk/lay-offs-short-timeworking/guarantee-pay>

You should also be able to claim 'new style' Jobseekers allowance during this period. This will apply if you have paid class 1 National Insurance contributions. You need to let your employer know that this would be temporary and not a conflict of interest with them (for example working for a rival company).

Self-employed, work not coming in or reduced

In the latest step to protect individuals and businesses, Rishi Sunak has set out plans that will see the self-employed receive up to £2,500 per month in grants for at least 3 months.

<https://www.gov.uk/government/news/chancellor-gives-support-to-millions-of-self-employed-individuals>

The Government has also announced grants for small businesses during this time

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

Caring for a vulnerable person (who is in receipt of care DLA -mr/hr, PIP, AA)

If you care for someone, you are able to claim carers allowance which is currently £66.15 per week.

It can be paid to those earning less than £123 a week after tax, NI and half of any pension contribution.

Carers allowance entitles you to a class 1 NI contribution and you can also have it topped up with Universal credit depending on your circumstances. You will not be required to look for work while you receive carers allowance.

Sick pay for employees who self-isolate

If you take time off due to coronavirus you should be entitled to usual sick pay and sick leave.

If you are self- isolating on Gov advice you should be entitled to statutory sick pay (SSP).

This is a scheme run by HMRC and paid to employees by their employers for up to 28 weeks in any period of sickness lasting 4 days or more. You do not have to have paid National Insurance contributions. It cannot be claimed by self-employed people.

In order to qualify, you need to be employed and earn an average wage of at least £118 each week. It is usually paid after day 8 at its basic level, but the Government announced that it will be paid from the first day. This day 1 commencement only applies to those self-isolating due to coronavirus; if you are off sick for any other reason, the usual rules apply.

In order to qualify for SSP you must be told to self-isolate but this is not clear whether it has to be NHS111 or your GP. Please see the most recent information below regarding proof of absence from work:

<https://www.gov.uk/government/news/online-isolation-notes-launched-providing-proof-of-coronavirus-absence-from-work>

Employers have their own policy regarding what they will pay you. Some companies will continue to pay a full wage for a longer period than others but some will only pay the basic amount of £94.25.

Check your contract as it will tell you how much and how long your company will pay it for.

An employer cannot pay less than Statutory Sick Pay (SSP). If an employer pays more than SSP it's known as 'company', 'contractual' or 'occupational' sick pay.

If there's nothing in writing:

Statutory Sick Pay (SSP) is the minimum amount employers must pay. It's a good idea to check your workplace's policy to see if your workplace pays more than SSP.

SSP can be topped up by universal credit if your income is low.

<https://www.gov.uk/statutory-sick-pay>

Sick pay for Self-employed

People earning less than £118 a week and the self-employed are not eligible for SSP but they will be able to claim New style ESA from day 1 of a claim rather than waiting for a week as they did before.

They may also be entitled to Universal Credit depending on their circumstances and savings.

<https://www.gov.uk/guidance/new-style-employment-and-support-allowance>

Council Tax Reduction

Check if you are entitled to a reduction if your income has fallen. The reduction is means tested and separate from the disregards.

<https://www.gov.uk/apply-council-tax-reduction>

The Government have just announced extra help, in addition to help already available, for those facing hardship:

<https://www.gov.uk/government/news/government-confirms-500-million-hardship-fund-will-provide-council-tax-relief-for-vulnerable-households>

Mortgage help

On Tuesday 17 March, banks agreed with the Chancellor that they will offer 'forbearance' on mortgages.

Contact your bank straight away if you are struggling to pay your mortgage. You should be able to request a 3 month mortgage break. This is not a compulsory measure. You need to contact your bank for their policy around this.

It specifically targets those who are financially struggling and unclear whether you'll have to prove that's directly linked to coronavirus.

You will need to be up to date already with your mortgage payments and your lender will check that you can afford the extra repayment further down the line. In simplest terms, the money not paid for the 3 months would be added to the existing term thus slightly raising the monthly payment.

If you are already struggling with repayment and have an existing plan in place, it is unlikely that you will be given a 3 month respite. Talk to your lender though to see what can be done. Landlords may also apply for this 3 month break for buy to let mortgages.

Rental – ban on evictions

A renter who has lost income due to coronavirus will not be forced out of their home, nor will any landlord face unmanageable debts.

<https://www.gov.uk/government/news/complete-ban-on-evictions-and-additional-protection-for-renters>

Renters

Extra help was announced on 20 March for renters. Universal credit and housing benefit will be increased so that it covers at least 30% of the market rent in the recipient's area.

You can check current local housing allowance rates for your area using <https://lha-direct.voa.gov.uk/>

Increase to Working Tax Credits - what this means

The government has announced that Working Tax Credits payments will be increased by £20 per week from 6 April 2020 - find out what's happening and who this affects here:

<https://www.gov.uk/government/news/increase-to-working-tax-credits-what-this-means>

It has also been announced that those people who cannot work their normal hours will not see any change if their hours reduce. Please see the official link below:

<https://www.gov.uk/government/news/tax-credits-customers-will-continue-to-receive-payments-even-if-working-fewer-hours-due-to-covid-19>

Face to face assessments suspended

Claimants on disability benefits will no longer be required to attend face-to-face assessments for the foreseeable future. The change also covers health checks for Universal Credit.

<https://www.gov.uk/government/news/face-to-face-health-assessments-for-benefits-suspended-amid-coronavirus-outbreak>

Free school meals

Children eligible for free school meals will be offered meals or vouchers as an alternative if they can no longer attend school due to coronavirus measures.

In England and Wales, all children in reception and years 1 & 2 at state school automatically qualify. If you get Universal credit you may also be entitled depending on your earnings. The

limit is £7400 annually in England and Wales, £610 monthly in Scotland and under £14,000 in Northern Ireland.

<https://www.gov.uk/government/news/plans-set-out-to-support-pupils-eligible-for-free-school-meals>

This factsheet will be updated as more info or help becomes available.

Further information available at:

ACAS for more detail on employment law: <https://www.acas.org.uk/coronavirus>

Benefits checkers:

www.turn2us.org.uk

www.entitledto.co.uk/