

Guidance for individuals

(Lecture P1187 – 9.22 minutes)

Statutory Sick Pay (SSP) entitlement

SSP is currently set at £94.25 per week but does not usually kick in until day 4 of sickness. Emergency legislation is being introduced, back dated to 13 March 2020, so there are no 'waiting days' for people affected by the virus. This means that employees are entitled to SSP from day one of self-isolation. This includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.

Providing a sick note from the doctor is not a viable option and so employees who have the coronavirus or are advised to stay at home can get an 'isolation note' at:

<https://111.nhs.uk/isolation-note/>

Not eligible for SSP?

Individuals who are not eligible for SSP, because they are self-employed or earning below the Lower Earnings Limit of £118 per week can now more easily make a claim for Universal Credit or new style Employment and Support Allowance.

Where an individual has been advised to stay at home due to the coronavirus, any New style Employment and Support Allowance is now payable from day 1 of sickness.

Coronavirus Job Retention Scheme

Employers may ask their employees to take unpaid leave during these troubled times. If the employee agrees then they will be reclassified as a furloughed worker. Employees are likely to agree to a period of unpaid leave as the alternative is often to get laid off permanently. In a period of furlough you are still technically employed so your employment rights will continue.

Ordinarily furloughed workers are not paid for their period of unpaid leave but under the Coronavirus Job Retention Scheme the government will cover up to 80% of their gross pay for three months, subject to a gross pay cap of £2,500. This three month period could well be extended depending on the impact of COVID-19.

Full details have yet to be released but if an employee were earning £1,500 per month they could continue to earn £1,200 per month in the furlough period. This will be processed through the employers payroll and the employer will claim a grant from the government to cover the £1,200. The employer could continue to pay the employee the £1,500 and bear the extra £300 but that is their choice.

Further details on the Coronavirus Job Retention Scheme are contained within the Business Tax section of these notes.

What about the self-employed?

Whilst employed workers can get 80% of their normal pay when furloughed (capped at £2,500 per month), at present there is nothing similar for the self-employed.

Part of the reason for this is that it is much harder to devise a scheme, making sure that the rules are not open to abuse. In devising the scheme the Government will need to:

- identify the self employed individuals relying on their income to live on;
- decide how to calculate the level of compensation that should be paid; and
- work out how to go about paying over the money.

We are expecting an announcement this week (w/c 23 March 2020) from the Government on the measures that they will be putting in place for the self-employed. As soon as anything is announced, we will report on the details.

Claiming universal credit

From 6 April the Government are:

- increasing the Universal Credit standard allowance by £20pw (new + existing claimants);
- increasing the basic element in Working Tax Credit for 1 year by £20 pw (existing claimants);
- relaxing the minimum Income Floor for all Universal Credit claimants.

New claimants will not need to attend the jobcentre to demonstrate gainful self-employment.

From April, the Government are increasing Local Housing Allowance rates to the 30th percentile of market rents. This applies to all private renters who are new or existing Universal Credit housing element claimants and to existing Housing Benefit claimants.

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