**SELF-EMPLOYED**

* **As the Prime Minister said in the House today, we understand the situation many self-employed people face at the moment and we are determined to find a way to support them. We will be making a further announcement very shortly.**

*What we are already doing for the self-employed:*

* **We are deferring income tax self-assessment payments due in July 2020 to January 2021.** This is an automatic offer with no applications required.
* **We are supporting people through the welfare system so that nobody is penalised for doing the right thing.** Those on contributory ESA will be able to claim from day 1, instead of day 8. And we are relaxing the requirement for anyone to physically attend a jobcentre – everything can be done by phone or online.
* **We are increasing Universal Credit and Working Tax Credit by £1,000 a year – a cash injection of nearly £7 billion in the welfare system.** We are increasing the Universal Credit standard allowance, for the next 12 months, by £1,000 a year. We will also increase Working Tax Credit by the same amount for a year.
* **We are suspending the minimum income floor for twelve months.** That means self-employed people can now access, in full, Universal Credit at a rate that is equivalent to Statutory Sick Pay for employees.
* **We are introducing a three month mortgage holiday for those in difficulty due to coronavirus.** So that people will not have to pay a penny towards their mortgage while they get back on their feet.
* **Self-employed people may be eligible to receive support with their tax affairs through HMRC’s Time to Pay service.** Arrangements are agreed case-by-case. Businesses can contact HMRC’s new dedicated COVID-19 helpline from 11 March 2020 for advice.
* **The Coronavirus Business Interruption Loan Scheme is available to self-employed individuals with an eligible business entity.** By providing an 80 per cent government guarantee on finance facilities up to £5 million, this scheme will help more businesses access the finance they need.
* **We have delayed changes to IR35.** We have delayed bringing in changes to IR35 from April 2020 until April 2021, giving self-employed people more time to prepare for the reforms.
* **Introducing emergency legislation to protect renters, so that no one gets evicted if they cannot pay their rent.** Emergency legislation will be taken forward as an urgent priority so that landlords will not be able to start proceedings to evict tenants for at least a three-month period. As a result of these measures, no renters in private or social accommodation needs to be concerned about the threat of eviction.
* **Introducing new emergency measures with the energy industry to keep gas and electricity flowing.** New emergency measures with the energy industry will protect those most in need. Customers with pre-payment meters who may not be able to add credit can speak to their supplier about options to keep them supplied, benefitting over 4 million customers. More broadly, any household in financial distress will be supported by their supplier, which could include debt repayments and bill payments being reassessed, reduced or paused.

***Aren’t you expecting self-employed people to get by on £94 a week – how is that fair?***

SSP would only be for a 14 day period if someone needs to take time off from their self-employed work.

But SSP is also available in addition to UC and other benefits – such as child benefit and council tax support.

***How are these measures for the self-employed different to what has already been announced at Budget?***

* The Budget announce a temporary relaxation of the earnings rules (known as the Minimum Income Floor) for self-employed claimants who are sick or self-isolating according to government guidance. This has already come into effect.
* This announcement is relaxing the rules for all self-employed claimants, not just those directly impacted by the virus, ensuring those affected by the economic impact of the outbreak are supported, and feel able to follow government guidance on self-isolation and social distancing.

**CORONAVIRUS JOB RETENTION SCHEME**

* **Any large or small employer can apply to put workers on temporary leave or “furloughed” status.** The government will then pay them cash grants of 80 per cent of their wages up to a cap of £2,500, providing they keep the worker employed.
* **They will receive the grant from HMRC.** All UK organisations can self-certify that it has furloughed employees. The scheme will cover the cost of wages backdated to March 1.All UK-wide employers with a PAYE scheme will be eligible, including the public sector, local authorities and charities.
* **The scheme will be open initially for at least 3 months.** But we will extend it for longer if necessary. There is no limit on the amount of funding available for the scheme.
* **We expect the first grants to be paid within weeks.** HMRC are working night and day to get the scheme up and running and we’re aiming to get it done before the end of April. Existing systems are not set up to facilitate payments to employers.

***Do individuals still have to pay tax on this?***

* Yes – individuals will pay Income Tax and National Insurance on any payments received through this scheme as they are replacement for income in line with normal practise for benefits or grants that replace income.

***Will this cover the cost of employer National Insurance contributions and employer pension contributions?***

* Yes – employers will be able to apply for a grant to cover the Employer National Insurance contributions and minimum automatic enrolment pension contributions on paying the lower of 80% of regular salary or £2,500 per month.

***How will this work for those on zero-hour/flexible contracts/agency workers?***

* This scheme aims to support all those employed through the PAYE system regardless of their employment contract, including those on zero-hour contracts.
* Zero-hour and flexible contracts can cover a whole range of working arrangements.
* The 80% grant is applied to the higher of: (1) the earnings in the same pay period in the previous year; or (2) the average earnings in the whole previous 12 months (or fewer if they have worked for less time than this, including a part month calculation if they were taken in February).

***Can a business furlough someone after hearing the announcement and then claim back to March 1st even though they had been working that whole time?***

* No – the scheme is backdated to March 1st with a view to covering those who have already been made redundant as a result of the coronavirus.

***What about employees taken on after 1 March?***

* They are excluded from the scheme.

***To qualify, does the business need to be ‘essential’?***

* No, all businesses which employ and pay workers through the PAYE system are eligible.

***Why are you not supporting me if my hours are reduced?***

* The scheme is designed to help those who otherwise would have been made unemployed.
* We recognise that some people will work fewer hours.
* We have strengthened the welfare system to support those whose hours change including an increase to the UC standard allowance and the working tax credit basic element.
* This builds on the initial package announced at Budget including enhancements to contributory employment support allowance, which will now be available from day 1and making advances for all new UC claimants available online with no requirement to attend a job centre.

***Why isn’t this supporting part-time working?***

* The scheme is designed to help those who otherwise would have been made unemployed.
* The public health guidance is clear that people should stay at home unless they are a key worker.

***Can my employer top this up?***

* Yes. In order to qualify for the scheme, employers must pay their staff at least 80% of wages, up to the cap of £2,500 per month. It is up to them if they wish to top up the additional 20 per cent.

***What about employees that have already been made redundant?***

* The scheme will be back dated to March 1 with a view to covering those who have already been made redundant due to the Coronavirus outbreak.
* If firms re-employ staff made redundant after March 1st, they are eligible to then be furloughed and the employer would qualify for the grant.

***Can my employer sack me while I’m on furlough? Is my employer allowed to sack me as soon as the*** ***furlough scheme comes to an end?***

* Yes, you can still be made redundant while on furlough or immediately after. There is no requirement to bring the employee back to work after the period of furlough. If an employee is made redundant during the period of furlough then grant payments will cease.
* However, in both cases normal redundancy rules and protections will apply.
* Where a business feels that redundancy is the only option, this must still follow the rules which include giving a notice period and consulting staff before a final decision is reached.
* More information on redundancy can be found at: <https://www.gov.uk/redundancy-your-rights>.

***Can I be furloughed for a short period of time, e.g. a week or a couple of days, and then re-employed?***

* A worker must be furloughed for a minimum of 3 weeks for their employer to be eligible to claim under this scheme.
* This is consistent with the public health guidance seeking to minimise the number of people outside of their homes on a regular basis. The scheme supports employers asking the maximum number of employees to remain at home during the coronavirus outbreak.
* A clear minimum period also aids a clear definition of who is and who is not furloughed.

***Can I volunteer or do training whilst furloughed?***

* If you are furloughed you cannot work for your employer during this period.
* You can volunteer or train, provided that this does not involve the manufacture or creation of an item or part thereof than can yield revenue for the company, the provisions of services to the company, or the provision of any service that can yield revenue for the company. Firms can require workers to undertake training from home, provided it meets the above.

**VAT DEFERRAL**

* **The government is deferring VAT payments for the next quarter.** That means businesses will not pay any VAT from now through to the end of June.
* **Businesses will have until the end of the financial year to pay back any deferred taxes.** This is to help support businesses with their cash flows, and support individuals’ employment.
* **Over a million businesses of different size and sector are expected to benefit.** This is an automatic offer with no applications required.

***How does it work?***

* These are automatic offers using HMRC’s existing systems with no applications required. No penalties or interest for late payment will be charged.

***Who are we helping?***

* No business will have to make a VAT payment to HMRC in that period. This benefits VAT-registered businesses of all size and sector.
* Millions of self-employed taxpayers would benefit from the Income Tax Self-Assessment deferral. Those with significant amounts of income from dividends and property income will also benefit.

***When will the deferral apply?***

* For the self-employed, the deferral will apply for ITSA payments due in July.
* VAT for all companies in the UK will be deferred immediately until mid-June – with no business having to make a VAT payment during this period. Companies will then have until the end of the tax year to pay the tax owed, allowing them time to recover.

***How much cash benefit will businesses get from this?***

* The cash benefit will vary depending on the size of individual businesses payroll, but it is expected to provide a short-term cash flow boost to those businesses that have been impacted by COVID-19.

***What happens after the VAT deferral ends?***

* Businesses will be given until the end of the 2020-21 financial year to pay off the debts they have accrued.

***You’re deferring tax, not voiding it – companies will still have to pay this tax back. Isn’t this just another loan?***

* This will help alleviate the immediate, temporary pressures businesses are facing. We are confident the economy and businesses will bounce back from this in time. To help them do that, we will give them the time needed to pay back deferred tax. Businesses will have until the end of the FY to make these repayments.
* HMRC are also delivering an enhanced Time to Pay offer to fit the specific impacts of Covid-19. Time to Pay is available to all firms and individuals who are in temporary financial distress as a result of Covid-19 and are unable to pay their tax on time or have existing liabilities. HMRC have set up a dedicated helpline to enable those eligible to get practical help and advice.
* These tax deferrals are just part of the package the government is announcing to support businesses. The government has also announced a comprehensive wage subsidy scheme. Tax deferral will help businesses with cashflow in the meantime.

***Why are you not also deferring corporation tax?***

* Paying Corporation Tax is conditional on making trading profits. The reality of the situation is that many businesses will not make profits in the next months but will have ongoing costs related to wages. VAT deferral will help address this and provide the much-needed liquidity to businesses.

**WELFARE**

* **This government is committed to doing whatever it takes to support families through this crisis. To support people through the outbreak we are announcing a package of temporary safety-net measures. Taken together, these measures and those announced at Budget provide over £6.5 billion of additional support through the welfare system for people affected by COVID-19:**
  + A £20 per week increase to the Universal Credit standard allowance and Working Tax Credit basic element. This means that for a single UC claimant (25 or over), the standard allowance will increase from £317.82 to £409.89 per month.
  + An increase in the Local Housing Allowance rates for Universal Credit and Housing Benefit claimants so that it covers the cheapest third of local rents.
  + A relaxation of earnings rules for self-employed Universal Credit claimants affected by the economic impacts of Covid-19.
* **This builds on the initial package for individuals and families announced at Budget:**
  + Extension of Statutory Sick Pay to self-isolators and those in the same household caring for self-isolators - payable from day 1 not day 4.
  + Contributory Employment and Support Allowance will be now be available from Day 1 not Day 8 for eligible people unable to work because they are directly affected by COVID-19 or self-isolating.
  + Advances for all new UC claimants are now available online / via phone, with no requirement to attend a job centre.
  + Earnings rules for self-employed UC claimants have already been temporarily relaxed for those who are sick or self-isolating.

***How long will the measures announced today be in effect for?***

* The government is committed to helping families get through this crisis.
* Changes to the generosity of UC, WTC and LHA rates will be in place for the 20/21 financial year.

***Why aren’t you removing the five week wait in UC? People need support now!***

* No one who loses their job or sees their income fall will have to wait five weeks for financial support. Advance payments are available from day one to ensure that families have money to support them through this period.
* We have made advances available online/over the phone, ensuring claimants don’t need to attend a job centre.

***It’s unfair that furloughed workers get to receive 80% of their salary whilst individuals self-isolating only get Statutory Sick Pay, which at £94.25 per week, is only 20% of median earnings.***

* The government is committed to supporting individuals through this difficult time. That is why we have extended Statutory Sick Pay to self-isolaters and made it payable from Day 1. This is in parallel to changes to the benefit system to support the most vulnerable, such as today’s increase to the Universal Credit standard allowance.
* It is important to note that Statutory Sick Pay is the minimum amount an employee is entitled to but many people receive much more – a 2014 DWP survey found that 68% of employees received more than the statutory minimum.
* Most people on SSP will also only be off work for 14 days (the self-isolation period) whereas furloughed workers may be unable to work for considerably longer.
* We are conscious that Statutory Sick Pay is directly paid by employers, many of whom are facing unprecedented strain due to Covid-19, and that is why we are focusing our interventions on changes which Government is funding.

***Why haven’t you scrapped the £118 pw lower earnings limit for statutory sick pay? The CBI and TUC have both called for it and not removing it means the most vulnerable won’t receive any statutory sick pay.***

* Employers are responsible for paying statutory sick pay to employees who earn above the lower earnings limit of £118 per week (equivalent to 13.5 hours at the national living wage for someone aged 25 or over).
* The government is committed to helping the lowest paid through this Coronavirus outbreak. Our welfare system is best placed to provide this support and lower earners who already claim Universal Credit will automatically see their benefits adjust to compensate for lower earnings. Today we are also announcing extra support to those who will have to rely on the welfare system by increasing the 2020-21 UC standard allowance, WTC basic element, and LHA rates.
* Removing the Lower Earnings Limit could lead to a situation where employers have to pay more to people when they are sick than when they are working – suddenly removing it risks disincentivising employers from continuing to employ some of the lowest earning part-time workers in society.
* Many businesses will also have to adapt to a short-term drop in demand for products and services and it is right that we take this into account when deciding what burden they can bear during this time.

***Is the government admitting UC is not generous enough currently?***

* It is right that we look to do everything we can to support people during this difficult time – with the state acting as a safety net for those who need it. UC to date has been successful at getting people into work, but it is sensible that we look at the support available during this unprecedented period of economic uncertainty.
* What I am announcing today is a temporary increase in overall generosity to reflect the current situation, to provide additional support for those who need it most.

***Why did you decide on increasing the UC Standard Allowance by £20 - surely this isn’t enough to make a tangible difference if someone has lost their job and has a family to feed?***

* The measures announced today total over £6bn of additional spending on welfare to support those affected.
* It is providing extra support for existing claimants, as well as people who are having to make a new claim to UC because their earnings have reduced, or they have lost their job. Claimants may be eligible for other elements of UC, including for children and housing.

***Why aren’t you replacing UC advances with grants?***

* We have announced measures that can be quickly and effectively operationalised, and that benefit as many disadvantaged families as possible. DWP are experiencing significant increased demand and the government has to prioritise the safety and stability of the benefits system overall.
* Advance repayments are made gradually over 12 months, and deductions are capped at 30% of claimants’ standard allowance. For claimants who find themselves in unexpected hardship, advance repayments can be deferred for up to three months in certain cases.

***Increasing the UC standard allowance will just increase the amount of debt deducted from people. Why aren’t you pausing / reducing deductions so claimants can properly benefit?***

* New claimants can access up to 100% of their standard allowance on day one, and this is repaid gradually through their awards over 12 months. Deductions for advances are capped at 30% of claimants’ standard allowance. For claimants who find themselves in unexpected hardship, advance repayments can be deferred for up to three months in certain cases.
* Budget already announced that claimants will be able to access advances via phone or online, instead of having to attend the jobcentre.
* We have announced measures that can be quickly and effectively operationalised, benefiting as many families as possible, quickly. DWP are experiencing significant increased demand and the government has to prioritise the safety and stability of the benefits system overall.
* For those claimants with debt, deductions are capped. Everyone will be better off as a result of the measures announced today.

***You should suspend UC sanctions during this crisis.***

* We have announced measures that can be quickly and effectively operationalised, and that benefit as many disadvantaged families as possible.
* We are continuing to work with DWP to ensure business continuity and support our most vulnerable claimants.

***Won’t allowing people to claim UC advances over the phone lead to another explosion in fraud? The NAO has just revealed £150m was stolen from UC last year.***

* The vast majority of claims for UC, and for advances, are legitimate. However, DWP takes benefit fraud very seriously is committed to preventing fraud in the first place and detecting and investigating existing fraud.
* DWP acted decisively last year, creating a dedicated team of investigators to tackle this issue, deploying tough financial penalties and working with the CPS to prosecute the perpetrators.
* DWP remains very vigilant to the fraud risk, however given the public health advice it is right that people should be able to claim Universal Credit and receive an advance without the need to attend a jobcentre.

***A Universal Basic Income would be the best way to get support to everyone, why aren’t you doing this?***

* There are fundamental problems with the realities of a UBI.
* A flat rate UBI does not consider the additional needs and costs faced by some individuals. Therefore, it has the potential to markedly increase inequality.
* Any practical implementation would also be difficult to operationalise at this time. The Government believes alternative measures are better placed to respond to the Covid-19 outbreak.

***What are you doing to support people with no recourse to public funds?***

* The Home Office has put in place a range of measures to support those affected by the covid-19 outbreak. We continue to monitor the situation closely and may adjust requirements where necessary.
* COVID19 has been added to the list of communicable diseases so anyone experiencing symptoms, regardless of their immigration status will be treated for free.
* Our policy on recourse to public funds allows for individuals with leave under the partner, parent and private life routes, and when granting leave outside the private life rules and under ECHR Article 8 on the basis of exceptional circumstances, to apply for a “change of conditions” if the NRPF condition has been applied to their leave, and there is a subsequent change in their financial circumstances. Providing appropriate evidence is supplied, these applicants can have the NRPF condition lifted.
* Exceptional circumstances in which the NRPF restriction may be lifted include the risk of destitution or the welfare of a child at stake.

***Many people won’t be able to get UC support because they have too many savings, including the self-employed who need to put money aside for their tax bill. Why aren’t you removing the capital limits, instead of penalising those who do the right thing?***

* UC is a means tested benefit and it rightly assumes that people with significantly above average levels of savings will draw down this support before receiving government help. Households with savings below £16,000 are eligible to claim UC and this is significantly above average savings levels.
* People with savings and who also have a sufficient NI record will be able to claim contributory Jobseekers’ Allowance (if they become unemployed) or Employment and Support Allowance (if they are sick or self-isolating).

***Why aren’t you increasing the rate for contributory/new style Employment and Support Allowance, when you are for UC? Is this not unfair on people who have made national insurance contributions?***

* Many people eligible for new style ESA will also be eligible for UC if their savings are smaller than £16,000. These people will benefit from the UC increases announced tonight. It is right that we focus our support on those who are most vulnerable in society and have the lowest savings.

***Why can only existing WTC claimants benefit from this increase?***

* WTC is part of the legacy benefit system being replaced by UC and is closed to the majority of new claimants – people who require support should apply for UC instead. We are increasing the standard allowance / the basic element by an equivalent amount in UC and WTC.

***Will you guarantee paid parental leave for one primary carer for the duration of school closures, with government reimbursement for employers? Will you protect parents who take this leave from unfair treatment or dismissal?***

* The government is committed to supporting individuals through this difficult time, including as far as possible supporting people through existing systems. The Chancellor announced a substantial package of measures at Budget and again this week and today to support businesses and individuals.
* Employees are entitled to time off to deal with an emergency involving a dependent, This would apply to situations related to coronavirus (COVID-19), including if they have children they need to look after or arrange childcare for because their school has closed. We encourage employers to support parents who choose to take leave, and those who choose to work flexibly.
* Parents’ employment rights are protected whilst taking existing leave entitlements or sick pay.

***How many people do you expect will benefit from these changes to LHA rates?***

* Up to 1.2 million existing claimants will benefit from increased housing support as will additional UC claimants over the next few months. Local authorities also have £180m in Discretionary Housing Payments for 2020/21 to further support households on housing benefit or Universal Credit.

***Why don’t you just replace the LEL immediately with proper statutory sick pay, linked to earnings? DWP recently consulted on introducing sick pay at 80% of earnings for employees below the LEL.***

* DWP consulted on this issue in their recent “Health is Everybody’s Business” consultation and will publish a response in due course. However, making this change now would be a significant change to employers’ obligations, and not something we should seek to implement overnight – particularly as the administrative burdens of introducing a new system would fall on employers at an already difficult time. Our immediate approach is focused on making the existing system fit for current circumstances through the recently announced measures.

***What happens to the hard-working person who has multiple employments below £118 per week, but won’t receive SSP for any of them?***

* People with multiple employments below £118pw will be eligible for support through the benefits system if they are unable to work. Employees who have paid sufficient NICs contributions, even through multiple jobs, will also be entitled to new style ESA. If they haven’t made sufficient contributions, they can apply for UC.
* As announced today and at Budget, we have made both benefits more generous and accessible – increasing the UC standard allowance and housing element, removing the 7 waiting day requirement in contributory Employment and Support Allowance, and making UC and new style ESA claims accessible via phone and online, with no requirement to attend the jobcentre.

***Statutory sick pay doesn’t cover self-employed people – why aren’t you extending SSP instead of tinkering with benefits?***

* As well as accessing SSP, self-employed people are able to access support through the welfare system when they are unable to work. If they have accumulated two years of National Insurance contributions, they can claim “new style” Employment and Support Allowance. If they haven’t made sufficient contributions, they can apply for Universal Credit.
* As announced today and at Budget, we have made both benefits more generous and accessible – increasing the UC standard allowance and housing element, removing the 7 waiting day requirement in contributory Employment and Support Allowance, and making UC and new style ESA claims accessible via phone and online, with no requirement to attend the jobcentre.