VOISIN LAW

Covid-19: Coronavirus Government Co-Funded Payroll Scheme | 1

The Government has announced the Coronavirus Government Co-Funded Payroll Scheme (the "**Scheme**"). The Scheme has been split into two phases. Phase 1 provides limited support to select "*qualifying industries*" which have suffered "*significant detriment*" as a result of the restrictions put in place to combat Covid-19. Phase 2 extends this support significantly and essentially subsidises businesses to keep employees employed.

The details of Phase 1 are as follows:

- Phase 1 of the Scheme is available to businesses in "*qualifying industries*" which have experienced "*significant detriment*".
- "*Qualifying industries*" includes: hotels; restaurants; bars; wholesale (with certain exceptions); retail (with certain exceptions); fisheries; and hairdressers/beauty therapists. "*Significant detriment*" means a drop in turnover of at least 50% due to the restrictions put in place due to Covid-19. Documentary evidence is required.
- If eligible, the qualifying business may apply for a subsidy of £200 per week per employee, provided that employee: (i) appeared on the Social Security contribution schedule for February 2020; (ii) was retained in employment for 20 March 2020 to 31 March 2020; and (iii) and was paid at least £320 per week or at least £1,390 per month.
- If the employee was being paid less than £320 per week or £1,390 per month, the business may claim for support equalling 60% of 39% of the employee's usual monthly wage.

The details of Phase 2 are as follows:

- Phase 2 of the Scheme was announced on 26 March 2020. The Government announced that it will co-fund 80% of the wages of Jersey employees across a wide variety of sectors, up to a maximum payment of £1,600 per month per employee.
- Phase 2 is available to businesses in certain sectors which have suffered a "*significant detriment*" (as defined above).
- The list of qualifying sectors is extensive and is detailed in full on the Government website. There is also a list of excluded sectors which do not qualify for the Scheme
- If eligible, the qualifying business may apply for a payment subsiding the wages of each employee, provided that employee: (i) was employed by the employer in February 2020 and appeared on the Social Security contribution schedule for February 2020; and (ii) was retained in employment for the "*relevant period*" (i.e. the month the employer is claiming a subsidy for). The employer may claim for 80% of a qualifying employee's gross monthly gross salary up to a wage cap of £2,000 (meaning the maximum subsidy is £1,600 per month per employee).

Phase 2 of the Scheme is scheduled to run from 1 April 2020 to 30 June 2020. Businesses will be reimbursed after paying employees. Claims can already be submitted in respect of Phase 1. Claims in respect of Phase 2 may be submitted from 1 May 2020. The employer must submit a claim for each month the Scheme operates.

The Scheme is available to self employed workers and partnerships on the same terms as other businesses. The Scheme is not available in respect of agency workers or in respect of any employee earning in excess of £10,000 per month.

Voisin Law, 37 Esplanade, St. Helier, Jersey JE1 1AW Channel Islands
Telephone us on +44 (0)1534 500300 | Fax us on +44 (0)1534 500350

For any further information please contact Dexter Flynn or Stephanie Habin in the Voisin Law Employment Team.

Voisin Law, 37 Esplanade, St. Helier, Jersey JE1 1AW Channel Islands
Telephone us on +44 (0)1534 500300 | Fax us on +44 (0)1534 500350