

Parental Choice Payroll information on the Job Retention Scheme

24/02/2020

Under the recent directive from the government, Monday 23rd March, people must stay at home except for shopping for necessities, daily exercise, any medical need and travelling to and from essential work. If your nanny still wishes to come to work, it is unclear whether the Government is saying they can't work as they are still allowing travel to and from work. Please remember however that you do have a duty of health and safety towards your employee.

If you are employing staff, the following options are available to you with regards to their employment status:

- Sick pay (SSP)
- Annual leave
- Unpaid leave
- Redundancy
- Furloughing (as part of the Job Retention Scheme)

Based on the information provided so far, if you have a **PAYE employee** that you employ but have no work for, you can access the **Government Retention Scheme** and choose to furlough that employee. This is a new form of employment status, the details of which have not been ascertained yet. The government announced the implementation of the **Job Retention Scheme** on Friday 20th March 2020. This scheme enables UK employers to access financial assistance to pay existing employees' salary. The main objective of the scheme is to avoid employees being made redundant during this global emergency.

The government website states that **'Under the Coronavirus Job Retention Scheme, all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis'**.

As advised by the Government to access the scheme you would need to take the following steps:

- **designate affected employees as 'furloughed workers,' and notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.**
- **submit information to HMRC about the employee that has been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required).**

Furthermore, there is key information related to the scheme:

- **HMRC will then reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month.**
- **Employers can choose to contribute a further 20%.**
- **The job retention scheme will be in operation for at least three months.**
- **If an employee is to be 'furloughed', they will need to be informed of a change in their employment status.**
- **When furloughed an employee is not able to carry out any work duties.**



While this system is in operation (at least 3 months), you can furlough for as long as you wish. Therefore, if anything changes you can shorten or lengthen it provided you give enough notice. HMRC are working urgently to set up a system for reimbursement backdated to 1st March, existing systems are not set up to facilitate HMRC payments to the employer. *The payroll team are working with HMRC to understand when the system will be in place.* Initially it will be a case that you will have to pay first and then reclaim back from the HMRC by submitting a claim through an online portal. The payroll team will keep everyone updated as soon as we know more.

Whilst it is clear that nannies cannot work from home, it is not clear that the work they do is essential or involves care for the vulnerable. It is a decision to be reached between you and your employee but clearly you have a duty to take care of their health and safety. This remains a decision for you both. In the short term you can place them on annual leave but thereafter you may choose to furlough them.

Furthermore, all employees have the right to time off during working hours to deal with unforeseen matters and emergencies where a dependant is concerned. A dependant is defined as a spouse, partner, child, parent, or someone who depends on an employee for care, an elderly relative for example. Your employee must tell you as soon as possible why they will be absent and for how long. The amount of time off an employee takes to look after someone must be reasonable for the situation (usually 1- 2 days). There is, however, no statutory right to pay for this time off, so it will be up to the employer to decide whether the employee will be paid during that time off or not. Again, if the situation changes, then you can decide to furlough them instead.

If an employee needs a longer period, an employee can request up to 13 weeks as unpaid parental leave, provided they has been continuously employed for one year. Each employee is entitled to up to 18 weeks' leave for each child and adopted child, up to their 18th. Unpaid parental leave is limited to four weeks which must be taken as weeks in their entirety.

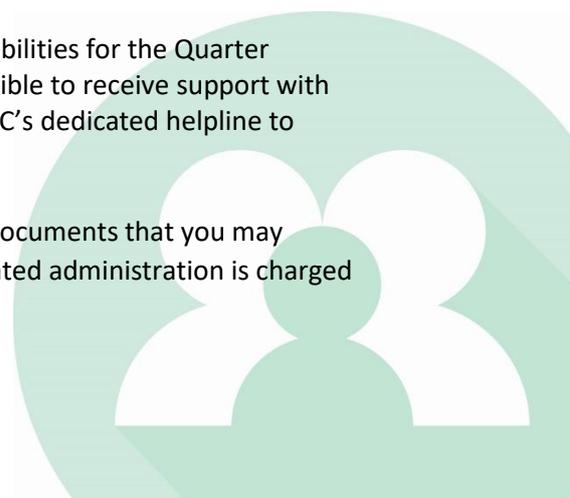
Your final option is to make them redundant and pay in lieu of notice. This would mean paying accrued holiday as well as notice. You would have to give notice under the employment contract.

Here are some links to useful websites that will offer up-to-date advice:

- [UK Government Response](#)
- [Statutory Sick Pay](#)
- [Guidance for Employers](#)
- [Guidance for Employees](#) (including advice about unemployment benefits)
- [Support for Businesses](#)
- [ACAS: advice for employers and employees](#)
- [111 online coronavirus service](#)

It is also worth noting that if you are unable to pay outstanding tax liabilities for the Quarter 4/Month 12 (due on 22nd April) because of COVID-19, you may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. Please call HMRC's dedicated helpline to discuss your individual case 0800 0159 559.

At Parental Choice we can provide [legal advice](#) and draft any formal documents that you may require, including a formal notice to furlough. All legal advice and related administration is charged at £150 (inclusive of VAT) for our existing clients.



Please be aware that this advice is based on the information that we have available to us, which is in itself limited with grey areas. We will do our best to find out as much as we can and will keep you updated when we know more.

Parental Choice Payroll have created a [Coronavirus Advice Hub](#) for employers and nannies, we are also regularly adding useful content and advice to our [blog](#).

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