

**RFL UPDATE TO CLUBS
COVID -19
SUMMARY OF
CURRENT GOVT
ASSISTANCE
MARCH 2020**



What support is now available for employers to cope with coronavirus?

- Statutory Sick Pay relief
- Coronavirus Job Retention Scheme or CJRS
- Small business grant funding of £10,000 for all business receiving small business rate relief or rural rate relief
- Coronavirus Business Interruption Loan Scheme
- Deferral of VAT payments
- HMRC Time To Pay Scheme

and in Retail, hospitality and leisure businesses (including sport)

- 12-month business rates holiday
- Grant funding of £10,000 for relevant businesses with property with a rateable value of under £15,000
- Grant funding of £25,000 for relevant businesses with property with a rateable value between £15,001 and £51,000

Guidance for employers on the coronavirus (COVID-19) Job Retention Scheme – updated 10pm 26th March

- The Coronavirus Job Retention Scheme is a temporary scheme open to all UK employers for at least three months starting from 1 March 2020.
- The scheme is expected to be up and running by the end of April. It is designed to support employers whose operations have been severely affected by coronavirus.
- Employers can use a portal to claim 80% of furloughed employees' (employees on a leave of absence) usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage.
- Employers can use this scheme anytime during this period.
- The scheme is open to all UK employers that had created and started a PAYE payroll scheme on 28 February 2020.

Who can claim

Any UK organisation with employees can apply, including:

- businesses
- charities
- recruitment agencies (agency workers paid through PAYE)
- public authorities
- You must have created and started a PAYE payroll scheme on or before 28 February 2020 and have a UK bank account

Where a company is being taken under the management of an administrator, the administrator will be able to access the Job Retention Scheme.

Employees you can claim for

Furloughed employees must have been on your PAYE payroll on 28 February 2020, and can be on any type of contract, including:

- full-time employees
- part-time employees
- employees on agency contracts
- employees on flexible or zero-hour contracts
- The scheme also covers employees who were made redundant since 28 February 2020, if they are rehired by their employer.

To be eligible for the subsidy, when on furlough, an employee can not undertake work for or on behalf of the organisation. This includes providing services or generating revenue. While on furlough, the employee's wage will be subject to usual income tax and other deductions.

Employees you can claim for - cont

If an employee is working, but on reduced hours, or for reduced pay, they will not be eligible for this scheme and you will have to continue paying the employee through your payroll and pay their salary subject to the terms of the employment contract you agreed.

Employers should discuss with their staff and make any changes to the employment contract by agreement. When employers are making decisions in relation to the process, including deciding who to offer furlough to, equality and discrimination laws will apply in the usual way.

To be eligible for the subsidy employers should write to their employee confirming that they have been furloughed and keep a record of this communication.

Employees you can claim for - cont

Employees hired after 28 February 2020 cannot be furloughed or claimed for in accordance with this scheme.

You do not need to place all your employees on furlough. However, those employees who you do place on furlough cannot undertake work for you.

Employees on unpaid leave cannot be furloughed, unless they were placed on unpaid leave after 28 February.

If your employee is on Statutory Sick Pay

Employees on sick leave or self-isolating should get Statutory Sick Pay, but can be furloughed after this.

Employees you can claim for - cont

Employees who are shielding in line with public health guidance can be placed on furlough.

If your employee has more than one employer they can be furloughed for each job. Each job is separate, and the cap applies to each employer individually.

A furloughed employee can take part in volunteer work or training, as long as it does not provide services to or generate revenue for, or on behalf of your organisation.

However, if workers are required to for example, complete online training courses whilst they are furloughed, then they must be paid at least the NLW/NMW for the time spent training, even if this is more than the 80% of their wage that will be subsidised.

Employees you can claim for - cont

Individuals who are on or plan to take Maternity Leave must take at least 2 weeks off work (4 weeks if they work in a factory or workshop) immediately following the birth of their baby. This is a health and safety requirement. In practice, most women start their Maternity Leave before they give birth.

If your employee is eligible for Statutory Maternity Pay (SMP) or Maternity Allowance, the normal rules apply, and they are entitled to claim up to 39 weeks of statutory pay or allowance.

Employees who qualify for SMP, will still be eligible for 90% of their average weekly earnings in the first 6 weeks, followed by 33 weeks of pay paid at 90% of their average weekly earnings or the statutory flat rate (whichever is lower). The statutory flat rate is currently £148.68 a week, rising to £151.20 a week from April 2020.

If you offer enhanced (earnings related) contractual pay to women on Maternity Leave, this is included as wage costs that you can claim through the scheme.

Work out what you can claim

Employers need to make a claim for wage costs through this scheme.

You will receive a grant from HMRC to cover the lower of 80% of an employee's regular wage or £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage. Fees, commission and bonuses should not be included.

At a minimum, employers must pay their employee the lower of 80% of their regular wage or £2,500 per month. An employer can also choose to top up an employee's salary beyond this but is not obliged to under this scheme.

We will issue more guidance on how employers should calculate their claims for Employer National Insurance Contributions and minimum automatic enrolment employer pension contributions, before the scheme becomes live.



Work out what you can claim - cont

For full time and part time salaried employees, the employee's actual salary before tax, as of 28 February should be used to calculate the 80%. Fees, commission and bonuses should not be included.

Employees whose pay varies, if the employee has been employed (or engaged by an employment business) for a full twelve months prior to the claim, you can claim for the higher of either:

- the same month's earning from the previous year
- average monthly earnings from the 2019-20 tax year (to 5th April 2020)
- If the employee has been employed for less than a year, you can claim for an average of their monthly earnings since they started work.

Work out what you can claim - cont

If the employee only started in February 2020, use a pro-rata for their earnings so far to claim. Once you've worked out how much of an employee's salary you can claim for, you must then work out the amount of Employer National Insurance Contributions and minimum automatic enrolment employer pension contributions you are entitled to claim.

All employers remain liable for associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on behalf of their furloughed employees.

You can claim a grant from HMRC to cover wages for a furloughed employee, equal to the lower of 80% of an employee's regular salary or £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on paying those wages.

Work out what you can claim - cont

- You can choose to provide top-up salary in addition to the grant. Employer National Insurance Contributions and automatic enrolment contribution on any additional top-up salary will not be funded through this scheme. Nor will any voluntary automatic enrolment contributions above the minimum mandatory employer contribution of 3% of income
- Individuals are only entitled to the National Living Wage (NLW)/National Minimum Wage (NMW) for the hours they are working.
- Therefore, furloughed workers, who are not working, must be paid the lower of 80% of their salary, or £2,500 even if, based on their usual working hours, this would be below NLW/NMW.

What you'll need to make a claim

Employers should discuss with their staff and make any changes to the employment contract by agreement.

Employers may need to seek legal advice on the process.

If sufficient numbers of staff are involved, it may be necessary to engage collective consultation processes to procure agreement to changes to terms of employment.

What you'll need to make a claim

- your ePAYE reference number
 - the number of employees being furloughed
 - the claim period (start and end date)
 - amount claimed (per the minimum length of furloughing of 3 weeks)
 - your bank account number and sort code
 - your contact name
 - your phone number
 - You will need to calculate the amount you are claiming.
- HMRC will retain the right to retrospectively audit all aspects of your claim.

Your claim

- You can only submit one claim at least every 3 weeks, which is the minimum length an employee can be furloughed for.
- Claims can be backdated until the 1 March if applicable.
- Once HMRC have received your claim and you are eligible for the grant, they will pay it via BACS payment to a UK bank account.
- You should make your claim in accordance with actual payroll amounts at the point at which you run your payroll or in advance of an imminent payroll.

Your claim

- You must pay the employee all the grant you receive for their gross pay, no fees can be charged from the money that is granted. You can choose to top up the employee's salary, but you do not have to.
- When the government ends the scheme, you must make a decision, depending on your circumstances, as to whether employees can return to their duties. If not, it may be necessary to consider termination of employment [redundancy].

Furloughed employees

- Employees that have been furloughed have the same rights as they did previously. That includes Statutory Sick Pay entitlement, maternity rights, other parental rights, rights against unfair dismissal and to redundancy payments.
- Once the scheme has been closed by the government, HMRC will continue to process remaining claims before terminating the scheme.

Income tax and Employee National Insurance

Wages of furloughed employees will be subject to Income Tax and National Insurance as usual. Employees will also pay automatic enrolment pension contributions on qualifying earnings, unless they have chosen to opt-out or to cease saving into a workplace pension scheme.

Employers will be liable to pay Employer National Insurance contributions on wages paid, as well as automatic enrolment contributions on qualifying earnings unless an employee has opted out or has ceased saving into a workplace pension scheme.

Tax Treatment of the Coronavirus Job Retention Grant

Payments received by a business under the scheme are made to offset these deductible revenue costs. They must therefore be included as income in the business's calculation of its taxable profits for Income Tax and Corporation Tax purposes, in accordance with normal principles.

Businesses can deduct employment costs as normal when calculating taxable profits for Income Tax and Corporation Tax purposes.

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RFL actions to date

- We have circulated a template letter to facilitate the furlough process (nb – not providing legal advice)
- We have organised the discussion today to:
 - Outline this scheme
 - Understand club experiences of the various schemes available that may help others in their processes
- RFL Executive Board & Non-Executive Board have agreed immediate pay cuts
- RFL has completed its own staff planning scenarios and implemented the furlough process
- Involved in round table discussion with government to outline the position of the whole game
- Submitted a request for lost revenue to DCMS on behalf of the whole game in conjunction with Super League
- Updated the request to DCMS to react to the Chancellors announcements of 20th March

Other support available

Statutory Sick Pay relief

- Small-and medium-sized businesses and employers can reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.
- This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
- Employers with fewer than 250 employees will be eligible
- The size of an employer will be determined by the number of people they employed as of 28 February 2020

Small business grant funding

The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property.

Businesses in these sectors with a property that has a rateable value of up to £15,000 will receive a grant of £10,000 and businesses in these sectors with a property that has a rateable value of between £15,000 and less than £51,000 will receive a grant of £25,000.

Businesses which don't pay business rates are not included in this scheme.

You do not need to do anything. Your local authority will write to you if you are eligible for this grant.

Coronavirus Business Interruption Loan Scheme

The temporary Coronavirus Business Interruption Loan Scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.

The government will also make a payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.

The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.

Coronavirus Business Interruption Loan Scheme

You are eligible for the scheme if:

- your business is UK based, with turnover of no more than £45 million per year
- your business meets the other British Business Bank eligibility criteria

The scheme is now open for applications. All major banks are offering this scheme.

To apply, you should talk to your bank or one of the 40 accredited finance providers (not the British Business Bank) as soon as possible, to discuss your business plan. You can find out the latest on the best ways to contact them via their websites.

The full rules of the scheme and the list of accredited lenders are available on the British Business Bank website.

Deferral of VAT payments

- Deferral of Valued Added Tax (VAT) payments for 3 months.
- For VAT, the deferral will apply from 20 March 2020 until 30 June 2020.
- All UK businesses are eligible.
- This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period.
- Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period.
- ***Customers who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay.***
- Please do so in sufficient time so that HMRC do not attempt to automatically collect on receipt of your VAT return.

HMRC Time To Pay Scheme

All businesses and self-employed people with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.

These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

- You are eligible if your business:
 - pays tax to the UK government
 - has outstanding tax liabilities
 - If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 0159 559.

Next steps

- Clubs share experiences of government schemes to date so other clubs can follow best practice
 - Any questions?
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- Useful links
 - <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>