

# Coronavirus (COVID-19): A Guide to Benefits

## Key terms

**Coronavirus Job Retention Scheme** – support for employers so that they can continue to pay employees who agree to be furloughed 80% of their wages up to £2,500 a month.

[www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme](http://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme)

**Coronavirus Self-employment Income Support Scheme** – support if you are self-employed and have lost income due to coronavirus, covering 80% of trading profits up to £2,500 a month for March to May and 70% of trading profits up to £2,190 a month for 3 months if your business has been affected by coronavirus since 14 July. The majority of your income must come from self-employment and your trading profit must be under £50,000 a year. HMRC will contact you and invite you to apply online.

[www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme](http://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme)

**Furlough** – if you agree with your employer that you cannot go to work and cannot work from home and the employer claims support for wages under the Coronavirus Job Retention Scheme. You remain employed and will be paid at least 80% of your normal wages up to £2,500 a month. From March to June, you cannot complete any work for an employer who furloughs you and you must be furloughed for at least 3 weeks.

**Flexible furlough** – from July to October, you may be able to work part-time and be furloughed part-time; the minimum furlough period will be reduced to 1 week. In most cases, you must have been furloughed for at least 3 weeks before 1 July to be eligible for flexible furlough.

[www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme](http://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme)

**Isolation note** – evidence from NHS 111 Online if you need to self-isolate because you have symptoms of coronavirus, live with somebody who does, or have been told to self-isolate by NHS test and trace, and your employer asks for evidence of this for your Statutory Sick Pay.

[111.nhs.uk/isolation-note/](http://111.nhs.uk/isolation-note/)

**Self-isolating** – staying at home and not going out if you have symptoms of coronavirus or live with someone who does, you must self-isolate for 10 days if you have symptoms and 14 days if you live with someone who has symptoms.

[www.nhs.uk/conditions/coronavirus-covid-19/self-isolation-advice/](http://www.nhs.uk/conditions/coronavirus-covid-19/self-isolation-advice/)

**Shielding** – a measure to protect people who are clinically extremely vulnerable by minimising all interaction between those who are extremely vulnerable and others, those required to shield have been sent a letter from the government.

[www.gov.uk/government/publications/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19/](http://www.gov.uk/government/publications/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19/)

**Social distancing** – staying at home where possible, going out for specific, limited reasons and keeping at least two metres away from others when not at home.

[www.gov.uk/government/publications/staying-alert-and-safe-social-distancing](http://www.gov.uk/government/publications/staying-alert-and-safe-social-distancing)

## **Unable to work, self-isolating or shielding**

If you are employed but cannot work because you are self-isolating or shielding due to coronavirus, you could get Statutory Sick Pay for every day you're in isolation.

If you are not eligible for Statutory Sick Pay, for example you haven't earned enough recently or you are self-employed, you might be able to apply for new-style Employment and Support Allowance instead. You must have paid enough National Insurance contributions to qualify for Employment and Support Allowance.

If you receive Employment and Support Allowance due to coronavirus, it is payable from the first day of isolation.

If you need evidence to prove to your employer that you have to stay off work, you can get an isolation note from NHS 111 online if you:

- have symptoms of coronavirus
- live with someone who has symptoms of coronavirus
- have been told to self-isolate by a test and trace service.

You do not need an isolation note to apply for Employment and Support Allowance due to coronavirus.

If you are ill, but it is not related to coronavirus, the normal Statutory Sick Pay or Employment and Support Allowance rules apply.

If you are unable to work because you are shielding, you may be eligible for Statutory Sick Pay. From 1 August, the government are advising that you no longer need to shield and therefore, Statutory Sick Pay will no longer be payable on this basis. However, if you were furloughed for at least 3 weeks before 1 July, you can continue to be furloughed if it is not possible for you to return to work.

If you share your house with someone who is shielding, and you are unable to work, you can ask your employer to furlough you if they are unable to offer you paid leave.

## **Unable to work or reduced hours, employment or self-employment continuing**

### **Employed**

You may be able to access financial support through the Coronavirus Job Retention Scheme if you are unable to work.

The scheme can cover employees who are unable to work from home and are shielding, required to stay at home because someone in their household is shielding or have caring responsibilities that arise due to coronavirus, such as childcare responsibilities as a result of schools shutting. Talk to your employer to discuss your options.

If your earnings have reduced you may be able to get extra amounts on benefits that you already receive, or claim a 'top-up' through Universal Credit.

### **Self-employed**

You may be eligible for a grant through the Self-employment Income Support Scheme. Payments started to be made in May 2020 and will count as earnings when calculating benefits. A second grant will be available to eligible applicants from 17 August 2020.

If you are in receipt of Universal Credit, it will only be included as income for the assessment period it is paid in, however, due to complex surplus earnings rules, it may affect your award in the following months. It will not affect any payments that have already been made.

If your income has reduced you may be able to get extra amounts of benefits that you already receive, or claim a 'top-up' through Universal Credit.

### **Tax credits**

If you have been furloughed or your hours have been temporarily reduced, you continue to be entitled to Working Tax Credit. This includes people who are self-employed. This will be treated as a temporary change not affecting normal working hours. You do not need to inform HMRC of this change. You will be treated as working your normal hours for up to 8 weeks after the Coronavirus Job Retention Scheme closes, even if you are not using this scheme. However, if by the end of that period your hours have not returned to normal or if during that period your work stops or the hours of work are permanently reduced, your Working Tax Credit will end after a further four-week run-on period.

Child Tax Credit can continue.

### **Housing Benefit**

If you already receive Housing Benefit keep the council informed of any changes to your income.

### **Universal Credit**

If you have no income or you are on a low income, you may be able to claim Universal Credit. If you already receive other benefits such as tax credits or Housing Benefit, these will stop and you will not be able to reclaim them. You may be better off on Universal Credit and therefore choose to claim. However, you could be worse off. It's important to check your benefit entitlement before you claim.

## **Unable to work, employment or self-employment ended**

### **Jobseeker's Allowance**

If your employment has come to an end or you are now working less than 16 hours a week you may be able to claim new-style Jobseeker's Allowance.

You must have paid enough National Insurance contributions to qualify. If you are self-employed, you will only be able to claim if you have paid enough class 1 National Insurance contributions through PAYE, for example if you were employed during the relevant tax years.

There are no limits on the amount of savings or capital you can have.

You can make a claim online at [www.gov.uk/jobseekers-allowance](http://www.gov.uk/jobseekers-allowance)

### **Tax credits**

If your employment or self-employment ends and you receive tax credits, you will need to inform HMRC of your change in circumstances within 1 month. If your entitlement to Working Tax Credit ends, your award will continue for 4 weeks after your last date of employment.

### **Housing Benefit**

If you already receive Housing Benefit keep the council informed of any changes to your income.

### **Universal Credit**

If you have no income or you are on a low income, you may be able to claim Universal Credit. If you already receive other benefits such as tax credits or Housing Benefit, these will stop and you will not be able to reclaim them. You may be better off on Universal Credit and choose to claim. However, you could be worse off. It's important to check your benefit entitlement before you claim.

### **Universal Credit**

Universal Credit can be claimed if you are working age and on a low income. You can claim it in or out of work. Universal Credit is assessed and usually paid monthly.

Universal Credit is replacing six legacy benefits: Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Working Tax Credit and Child Tax Credit.

**Note:** if you already receive one or more legacy benefit and claim Universal Credit, your other benefits will stop and you will not be able to reclaim them. You may be worse off if you are receiving other benefits and you claim Universal Credit, so it's important to check before you claim.

If you live with a partner, you will both need to apply and you will be assessed together.

You must have no more than £16,000 in savings and capital. This includes your partners' savings and capital, if you live with one.

The amount you receive depends on your circumstances and your income. If you or your partner are responsible for a child, or have limited capability for work, more of your

earnings will be ignored when calculating Universal Credit. The amount of rent included in your Universal Credit calculation may be different to the amount you pay, for example if you are assessed as having additional bedrooms or your rent is higher than the maximum allowance in your area..

**Note:** if you are due to receive a payment from work, for example a redundancy payment or final wages, you should check how much the payment will be and when it is due to be paid before making a claim for Universal Credit. A last payment of wages may mean that there is no Universal Credit entitlement in the first month. In these cases, it is beneficial to claim Universal Credit after the payment has been received rather than having a claim rejected or receive a reduced payment.

You can make a claim or report a change of circumstances online at [www.gov.uk/universal-credit](http://www.gov.uk/universal-credit)

If you are unable to make an online claim or want to report a change in circumstances, contact the Universal Credit helpline on 0800 328 5644 (textphone 0800 328 1344, NGT text relay 18001 0800 328 5644) or use the BSL video relay service.

### Universal Credit examples

A single person aged 30 with an eligible rent of £283.83 a month who had no income would receive £693.72 Universal Credit a month. If they had net earnings of £1,000 a month and no other income, they would receive £63.72 Universal Credit a month.

A lone parent aged 42 with a child aged 15, with an eligible rent of £500 a month, who had no income, would receive £1,191.14 Universal Credit a month. If they had net earnings of £1,500 a month and no other income, they would receive £430.10 a month Universal Credit

If they had a mortgage and had no income. they would receive £691.14 Universal Credit a month. If they had net earnings of £1,500 a month and no other income, they would receive £68.70 a month Universal Credit.

A couple with two children aged 2 and 7 with an eligible rent of £500 a month, who had no income, would receive £1,611.12 Universal Credit a month. If they had net earnings of £1,500 a month and no other income, they would receive £850.08 a month Universal Credit.

If they had a mortgage and had no income would receive £1,111.12 Universal Credit a month. If their combined net income was £1,500 a month and they had no other income, they would receive £488.68 Universal Credit a month.

Jo, aged 35, lives with her wife Jessie, aged 33, and their two children, Natalie aged 7 and Nick aged 2. Their eligible rent is £500 a month. Jo works and earns a net wage of £1500 a month. Jo and Jessie have had a Universal Credit claim for a few months.

Step 1:	Standard allowance for a couple over 25	£594.04
Step 2:	Child element.	£281.25
	Child element	£235.83
	Housing costs (eligible rent)	£500.00
Step 3:	<b>Maximum amount</b>	<b>£1,611.12</b>
Step 4:	Earned Income £1500 less £292 work allowance =	£1,208.00
	Apply 63% taper: £1,208 x 63% =	£731.04
	Earnings to take into account	£761.04
Step 5:	Unearned income	£0.00
Step 6:	<b>Total income</b>	<b>£761.04</b>
Step 7:	<b>Payable amount</b>	
	Maximum amount £1,611.12 minus total income £761.04 =	<b>£850.08</b>

Jo and Jessie will get Universal Credit of £850.08 a month.

In May, Jo is informed that she will be furloughed and will receive 80% of her normal wages until the end of the coronavirus outbreak. Her new net wages are £1,265 a month.

Earned Income £1,265 less £292 work allowance =	£973.00
Apply 63% taper: £973 x 63% =	<b>£612.99</b>
Maximum amount £1,611.12 minus total income £612.99 =	<b>£998.13</b>

Jo and Jessie's Universal Credit will increase to £998.13 a month.

## Useful links

[www.understandinguniversalcredit.gov.uk/employment-and-benefits-support/](http://www.understandinguniversalcredit.gov.uk/employment-and-benefits-support/)

[www.gov.uk/coronavirus](http://www.gov.uk/coronavirus)

[www.welfare-benefits-unit.org.uk/resources/](http://www.welfare-benefits-unit.org.uk/resources/)

[www.housingsystems.co.uk/COVID-19](http://www.housingsystems.co.uk/COVID-19)

[www.moneyadvice.service.org.uk/en/articles/coronavirus-and-your-money](http://www.moneyadvice.service.org.uk/en/articles/coronavirus-and-your-money)

[www.moneyadvice.service.org.uk/en/articles/coronavirus-what-it-means-for-you](http://www.moneyadvice.service.org.uk/en/articles/coronavirus-what-it-means-for-you)

[www.rightsnet.org.uk/covid19](http://www.rightsnet.org.uk/covid19)