



News in Brief

A few important updates to try and digest along with everything else in the news this week.

Job Support Scheme and extension of the Self-Employment Income Support Scheme

It's the announcement we have been waiting for – with the pandemic growing in strength again, what will happen to workers who are still furloughed when the scheme ends in October? The Chancellor Rishi Sunak has announced that from 1 November 2020, a Job Support Scheme will be introduced to protect 'viable' jobs for the next six months.

To be eligible, employees must work a minimum of 33 per cent of their normal hours and not be on a redundancy notice. Employers will pay staff for the hours that they work. For the hours that staff are not working, employers and the government will each pay one-third of the person's equivalent salary, with the government grant capped at £697.92 per month. The end result of this is that the employee will receive 77% of their normal pay if they work 33% of their normal hours.

In addition, the Chancellor announced that the Self-Employment Income Support Scheme will be extended to 30 April 2021. The first extended payment will cover the three months from November to the end of January and will be worth up to 20% of average profits, capped at £1,875. A second payment will be available to cover the three months from February to April, but the amount of this lump sum has not yet been set.

For more details, visit <https://www.gov.uk/government/news/chancellor-outlines-winter-economy-plan>

Severe Disability Premium transitional payments

There is an exceptionally long and painful backstory to this announcement which involves several court cases and lots of campaigning. Full details will follow in our Autumn Bulletin, but the short version is that people who lost out on the severe disability premium when they transferred to Universal Credit became entitled to a transitional payment to make up the difference. It was clear from the outset that this payment would at some point morph into a regular Universal Credit transitional payment (which can be eroded by other changes in circumstances, unlike the SDP transitional payment, which was protected). The announcement that came this week was that this conversion date has been set – the 8 October 2020. For those that haven't become entitled to the SDP

transitional payment on this date, their conversion date will be ‘the day on which the amount of that payment is determined’.

For more details, see <https://www.gov.uk/government/publications/welfare-reform-act-2012-regulations/welfare-reform-act-2012-regulations#universal-credit-jobseekers-allowance-and-employment-and-support-allowance>

£500 self-isolation payments

The government has announced that from 28 September, eligible people who are required to self-isolate will receive a new £500 Test and Trace Support payment.

To qualify you must meet all the following criteria:

- you have been asked to self-isolate by NHS Test and Trace;
- you are employed or self-employed;
- you cannot work from home and will lose income as a result;
- you are claiming at least one of the following benefits: Universal Credit, Working Tax Credit, income-related Employment and Support Allowance, income-based Jobseeker’s Allowance, Income Support, Pension Credit or Housing Benefit.

The payment will be administered by local authorities and is expected to be set up by 12 October – claims made after 28 September but before the scheme is up and running will be backdated. Claims will be made online, with a telephone option available for those who are digitally excluded.

The payment will be subject to income tax but not National Insurance contributions.

We believe that this payment will replace the previously announced £13 per day payment for eligible people required to isolate in local lockdown areas, however this is not yet confirmed. We will update you with further details as soon as they are available, including how it is treated for benefit purposes and whether there is a limit to how many times you can claim.

For more information, see [New package to support and enforce self-isolation from gov.uk](https://www.gov.uk)

State Pension age

We have become very used to answering the question “When do I turn State Pension age?” with a shrug and a speedy look up on the internet. But for a little while, the answer is simpler again. State Pension age has now reached 66 and will remain 66 until 2026. One less thing to confuse us in these challenging times! Remember that this affects claims for Personal Independence Payment and Attendance Allowance as well as Universal Credit, Pension Credit and State Pension.

MIF start-up period

As of 23 September, there will be a change to the way that the minimum income floor is applied. There is currently a 12-month period when the MIF is not applied to self-

employed claimants who are managed migrated to Universal Credit and to current claimants who become newly gainfully self-employed. From 23 September, this 12-month period where the MIF is not applied will be extended to include all gainfully self-employed claimants who are naturally migrated to Universal Credit.

Note that in addition, the legalisation that allows for suspension of the MIF due to the impact of the coronavirus pandemic is currently in force until mid-November, though should also be kept under review and extended if appropriate. If claimants continue to be affected by the pandemic, the MIF should still be suspended.

For more details, see

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/903312/adm15-20.pdf



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