

## **Help About: Coronavirus (Covid-19) and Pay**

### **UPDATE 24.3.20 18:21**

If your ability to work, or your nanny's ability to work is affected by the Coronavirus outbreak, then your starting point should be the latest [government guidance](#). The situation across the UK is changing daily and new emergency procedures will continue to be implemented. This advice is based on our interpretation of the shifting landscape, and should be used in conjunction with government guidance and other sources.

### **Can my nanny continue to work?**

On 23<sup>rd</sup> March the UK entered into a lockdown situation, with the PM suggesting only essential workers should leave the house for work. On 24<sup>th</sup> March, the Health Secretary said that people who can't work from home should still go to work to 'keep the country running'. The two statements appear to contradict each other.

#### **Essential Workers**

We do know that essential workers should definitely continue to work if they can. If you (the parent) are an essential worker, and you need childcare, then your nanny is an essential worker too. See the full list at: <https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-educational-provision/guidance-for-schools-colleges-and-local-authorities-on-maintaining-educational-provision>.

#### **Non-essential workers**

At the moment, we just don't have any clarity on that, and parents will need to make up their own mind as to whether or not they want to risk the nanny continuing to work.

#### **Reducing the risks**

If the nanny is to continue working, she should avoid public transport. This might mean that she lives in with you, or that you give her a car to take home in the evening and bring back the following day. If you cannot reach an agreement, then you may have to furlough your nanny under the Job Retention Scheme (see below) and find an alternative childcare solution.

#### **Alternative childcare**

Almost all young people are now at home, and you may know of a student returned from university or a sixth form pupil that lives locally. This group is low risk, inexpensive and keen to help in the fight against the virus. If working for you means that you can continue your important work, then that might be a way forward. Do make sure that any arrangements you make are on a temporary contract, and that it remains clear that your usual nanny is the primary post-holder and will get her job back as soon as she can work.

### **Ending the employment contract**

If this means that you no longer need a nanny, then you might decide to serve notice per the written contract and end the arrangement. Employment legislation continues to apply, so redundancy pay will be due if your nanny has 2 or more complete years of service. Redundancy pay is normally a week for each year of service, but a bit more for

those aged 41+, and subject to a cap, so check the amount due for your nanny at <https://www.gov.uk/calculate-your-redundancy-pay>. Redundancy pay is not subject to tax or NI.

Holiday pay may also be due, depending on the number of days taken so far this holiday year. Holiday can be used up during the notice period if the nanny is not required to work during the notice period.

Regardless of length of service, you can if you like make an ex-gratia payment to your nanny, free of tax and NI. You could end the contract but give her an extra lump sum to tide her over until the worst of this has passed.

Ex-gratia payments can only ever be made when the employment ends. Ex-gratia payments will not be covered by the 80% funding under the Coronavirus Job Retention Scheme (see below). The funding will only apply to those employees who are kept on and paid in full.

## **Avoiding redundancy by Furloughing – and government help**

It goes without saying that, given the current crisis, if you can find a way to maintain your nanny's employment then you should. On 20<sup>th</sup> March, the PM announced the Coronavirus Job Retention Scheme, under which the hope is that you will be able to claim 80% of the employee's gross salary by way of a grant. The latest we have on that is:

*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.*

*And: All UK businesses are eligible.*

So, there is no clear guidance on nannies in particular. But when he made the announcement, the PM did say 'clubs, charities etc', so we think this is for all PAYE employees, not just those that are employed by businesses. There is no way of knowing for sure at the moment. We will be issuing updated guidance as soon as we have it.

We do know that the first grants may not be issued until the end of April, and these are new systems, so the money could take much longer than that to come through. We have no way of knowing which claims will take priority.

Presumably claims will also be subject to computerised anti-fraud measures, which would mean that a claim that falls outside the 'norm' expected for that particular individual could be rejected. Likewise, if a P45 has been issued already, a claim is unlikely to be successful. For that reason, **NannyMatters will not be issuing P45s until we have confirmed with you that the contract is definitely ending.**

## **What to pay?**

### **Nannies who can't work**

Pay continues to be governed by employment law and the written contract. If you can continue to pay your nanny in full, then you should. You can agree with your nanny that she is being furloughed, so that you can claim 80% of her pay from the government at a later date. Confirm this in writing, along the lines of:

*As discussed, you can no longer come to work. Together we have agreed that you will be furloughed, which is to say you will remain our employee. During this period we hope to be able to continue to pay you in full.*

If you do not want to furlough your nanny, then she could say that she is self-isolating and be due SSP instead. The first two weeks of SSP are funded by HMRC, but after that SSP must continue and you must meet the full cost.

If neither solution appeals, you have to serve notice and end the contract as described above.

### **Nannies who can work, but are off sick**

**For more info please call 01275 464425, email [enquiries@nannymatters.co.uk](mailto:enquiries@nannymatters.co.uk)  
or visit [www.nannymatters.co.uk](http://www.nannymatters.co.uk)**

Nannies who can work, but do not come to work because they are sick or self-isolating, fall into the SSP category. You can of course pay them full pay if you want.

### **Nannies who are off looking after their own children**

If your nanny has to take time off to look after her own children, this could arguably be classed as dependant's leave, which you can read about here <https://www.gov.uk/time-off-for-dependants>.

However, it seems unfair to penalise a nanny who, through no fault of her own, can't get to work. Again, pay in full if you possibly can. And if it looks as if she won't be able to work anytime soon, consider furloughing her, so that you get back 80% of the salary you pay out during the period.

## **Informing NannyMatters**

As you can imagine, we are inundated with enquiries and payroll changes, and are doing our best to work through them all. We are fully staffed and all set up from home, we just need a little longer than normal to deal with the volume.

If you are furloughing your nanny on full pay, there is no payslip adjustment required. Make sure you have written to your employee, keep a record of the dates, and we will be in touch when it's time to make a claim. You can backdate the furlough period to 1<sup>st</sup> March 2020 if your nanny has not worked since then.

If you are reducing your nanny's pay so that she receives SSP only, email [payroll@nannymatters.co.uk](mailto:payroll@nannymatters.co.uk) with the first day of sickness and confirm the days missed. Let us know if this is an on-going situation, or if you expect her back soon (because she is an essential worker).

If your nanny is continuing to work for you, then the normal systems for notifying hours, overtime etc. apply.

If you are ending your nanny's employment contract, email [payroll@nannymatters.co.uk](mailto:payroll@nannymatters.co.uk) with the date you served notice and the date the contract ends. Let us know if you think holiday pay might be due and we will help with the calculation. Holiday can be used up during the notice period, when the employee is not required to work.

## **SSP Rules**

SSP could run for up to 28 weeks, during which time we can put a temp on the payroll, normally at no extra charge. Coronavirus Covid-19 cases will normally resolve in just a few weeks.

SSP is payable at £95.85 per week (2020/21) to any employee, regardless of the number of days normally worked, provided normal earnings are at least £120 gross per week. If earnings are below £120, no SSP is payable. Instead, we give the employee an SSP1 form to take to their local benefits office.

HMRC do not normally reimburse employers for SSP paid out, but the government has announced help for employers who have less than 250 employees. For Coronavirus Covid-19 cases, HMRC will reimburse up to 14 days of SSP paid out. We can claim this for you even if you have topped up to full pay.

### **Sick notes**

All employees can sign themselves off for the first 7 calendar days. After that, in normal circumstances you can request a doctor's note if you want. It is good practice to ask for sick notes, but it's not appropriate at the moment given the volume of cases and pressure upon the health service.

**For more info please call 01275 464425, email [enquiries@nannymatters.co.uk](mailto:enquiries@nannymatters.co.uk)  
or visit [www.nannymatters.co.uk](http://www.nannymatters.co.uk)**