

## **Help About: Coronavirus (Covid-19) and Pay UPDATE 20.4.20**

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 this advice should be used in conjunction with government guidance and other sources.

### **Avoiding redundancy by furloughing under the Job Retention Scheme**

Given the current health 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 employers will be able to furlough their employees and claim a grant equal to 80% of the salary cost.

Employers can top pay up to 100% if they want.

Furlough periods must be a minimum of 3 weeks and during that period the employee cannot work for you at all. They can continue to work and be paid by a different employer. The scheme is in place to the end of June 2020.

All employers, including nanny employers, are covered by the scheme, provided:

- **The PAYE scheme was opened by HMRC before 19<sup>th</sup> March**
- **The employer for whom the grant is claimed had an RTI submission on or before 19<sup>th</sup> March**

We submit RTI submissions to HMRC when we raise a payslip, which means that new employees who had a NannyMatters payslip created and submitted to HMRC by us on or before the 19<sup>th</sup> March will be included (provided the PAYE scheme was also opened by 19<sup>th</sup> March).

The scheme was announced on the 20<sup>th</sup> March, so HMRC are excluding employees that they had not heard about by the 19<sup>th</sup>, as an anti-fraud measure. Other anti-fraud measures might be applied; a claim that falls outside the 'norm' expected for that particular individual might be investigated. Indeed, any claim might be investigated at a later date.

To furlough your employee, write to them along the lines of:

*As discussed, you can no longer come to work. Together we have agreed that you will be furloughed from [insert date], which is to say you will remain our employee. During this period, we will continue to pay you in full / During this period we will pay you 80% of your normal salary.*

### **Claiming the Job Retention Scheme grant**

HMRC have implemented a completely new system for paying out these grants. Employers must submit a claim via a new portal which opened on 20<sup>th</sup> April. NannyMatters will do this on behalf of our clients, provided we hold all the required information and authority to act (see below).

The government aim to pay the money into employer bank accounts within 6 working days. However, we need to gather the relevant information and calculate the grant amount before submitting the claim, so we cannot guarantee that funds will arrive before the end of April. We will make the claims as soon as possible.

## What NannyMatters need to make the claim

- Your nanny's name
- The date from which the furlough applies. This will normally be the first day that the nanny did not work. You may already have told us this date, particularly if you have implemented a 20% pay cut.
- Your bank account name (exact first and last name on the account, must match employer name)
- Your sort code
- Your account number

You may prefer to send your bank details via our [secure website contact form](#).

We also need authority to act on your behalf. We should have this already, provided you gave us the Authorisation Code that HMRC sent you when we first took you on as a client. If we don't hold authority, then we will not be able to submit your claim until we get that in place.

## If you want to make the claim yourself

If you would prefer to make the claim yourself, then you will need to [set up a PAYE online account](#)., selecting 'Organisation' then 'Employers or intermediaries, e.g. PAYE for employers or CIS' then 'PAYE for employers'. You will need your PAYE reference number (from your nanny's payslip) and Accounts Office reference (from your HMRC bill). If you have problems setting it up, try [HMRC online services helpdesk](#).

If you make the claim yourself, [make sure you tell us](#), so that we can cross you off our list

## Can my nanny continue to work?

### Essential Workers

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

Non-essential workers can continue to work but should observe social distancing and avoid cross-contamination of households. It's difficult to see how a nanny can achieve that, unless she lives in with the family. Parents, in consultation with the nanny will need to agree whether the nanny can or should continue to work. If a nanny is registered with OFSTED, the associated insurance may be invalidated and without insurance, the OFSTED registration could be in jeopardy.

### 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 the nanny lives with other people then she should stay home, as there would be a risk of cross-contamination of households.

If you cannot reach an agreement, then you may have to furlough your nanny under the Job Retention Scheme and find an alternative childcare solution.

## 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, particularly if your employer is paying you in full. If your own finances are suffering, then you might consider asking the nanny to take a 20% pay cut, so that the Job Retention Scheme covers the full cost of maintaining her employment.

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 are off sick or self-isolating**

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. They are not furloughed, so there is no claim under the Job Retention Scheme. They can be furloughed after the sick leave / self-isolation has ended.

### **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 will be off for more than 3 weeks, consider furloughing her, so that you get back 80% of the salary you pay out during the period.

## **Ending the employment contract**

If you cannot keep your nanny on, despite the help available, 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 normally 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.

## **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 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.

## **Contacting NannyMatters for payroll changes**

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, particularly around pay day.

**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)**

If you are furloughing your nanny on full pay, there is no payslip adjustment required. Make sure you have written to your employee confirming the furlough dates.

If you are furloughing your nanny on 80% pay, then you need to email [payroll@nannymatters.co.uk](mailto:payroll@nannymatters.co.uk) to tell us the furlough date so that we can implement the pay cut.

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 them back soon (because they are 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 normally be used up during the notice period, when the employee is not required to work.