
UK

Company

Tax measures (deferrals, reductions)

- Businesses and self-employed people who are experiencing difficulty meeting tax liabilities may be eligible to receive support on a case-by-case basis through HM Revenue & Customs' ("HMRC") "Time to Pay" arrangements (see "Social Security measures" section below).
- Effective 6 April 2021, new rules apply to the treatment of self-employed contractors disguised as employees under "IR35". The IR35 reforms were due to be implemented in April 2020 but were deferred due to the pandemic. Further information can be found [here](#).
- Income tax payments due on 31 July 2020 through the "self-assessment" system were initially deferred to 31 January 2021. On 24 September 2020, the Government announced that these would be deferred until 31 January 2022. Individuals do not need to be self-employed to be eligible for the deferral, but it is likely to be of most significance for self-employed people, given that almost all employees have their employment tax withheld from payroll through the PAYE system. The deferral is optional and automatic. No application is required, and no penalties or interest for late payment will be charged if individuals defer the payment.
- As of 1 October 2021, VAT was reduced from 20% to a transitional rate of 12.5% (up from a temporary reduced rate of 5%) for businesses in the tourism and hospitality sectors until 31 March 2022.
- Businesses that deferred their VAT liability from 20 March 2020 to 30 June 2020 were given the option to pay their VAT in up to 11 interest-free instalments during the 2021-22 financial year. This means that VAT will not need to be paid in full until 31 March 2022. Further, HMRC confirmed that companies would be liable for a 5% penalty or interest if they did not pay in full or make an arrangement to pay deferred VAT by 30 June 2021. This scheme has now closed.
- The Kickstart scheme ("**Kickstart**") provides funding to employers (irrespective of size) in order for them to create six-month job placements for young people (16-24 year olds) who are currently on Universal Credit (i.e. benefits to support those who are either on a low income or out of work) and at risk of long-term unemployment.
- Kickstart funding covers:
 - 100% of the relevant National Minimum Wage for 25 hours a week;
 - associated employer National Insurance contributions ("**NICs**"); and
 - employer minimum automatic enrolment contributions,with an additional £1,500 per job placement available for setup costs, support and training.

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- Applications for Kickstart funding closed on 17 December 2021. For successful applicants, the following steps and deadlines should be noted:
 - grant agreement must have been signed and returned by 7 January 2022;
 - vacancies must be submitted or sent to the Department of Work and Pensions by 31 January 2022; and
 - the young person must start the job by 31 March 2022.
 - On 6 April 2021 the Government launched the Recovery Loan Scheme (“**RLS**”). The RLS provides eligible UK businesses with access to loans and other types of finance to assist with their recovery from the pandemic, up to a maximum of £10m per business (maximum £30m per group). The RLS is open until 30 June 2022 (further information can be found [here](#)). From 1 January 2022, the following changes were made:
 - RLS is now only open to small and medium sized enterprises;
 - there is a £2 million cap on loans per business; and
 - the Government’s guarantee coverage to lenders has now been reduced to 70%.

**Social Security measures
(deferrals, reductions)**

- HMRC’s “Time to Pay” arrangements may cover an employer’s NICs liabilities on a case-by-case basis. Those concerned about being able to pay their taxes due to COVID-19 should contact HMRC through the dedicated helpline: 0800 024 1222.
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UK

Employer

Sick pay (eligibility, obligations to pay, recovery from Government)

- Employees who earn at least £120 per week are entitled to receive statutory sick pay (“SSP”) if they are off work sick. SSP will be payable from the first day of absence (on or after 13 March 2020) at £96.35 per week for up to 28 weeks. These employees are also entitled to SSP if they are self-isolating due to COVID-19 in accordance with official guidance. . In order to qualify for SSP, self-isolating employees must isolate for at least four consecutive days (including non-working days). Employees will not be eligible for SSP if they are required to self-isolate after returning to the UK from abroad, and do not need to self-isolate for any other reason.
- Employers with fewer than 250 employees as of 30 November 2021 may be able to claim a refund of up to two weeks’ SSP per employee off work due to COVID-19 symptoms or self-isolation on or after 21 December 2021. The Government will work with employers to set up a repayment mechanism. An online service is available for employers to make claims to recover qualifying SSP payments that they have made to their employees. Employers who reclaim SSP must keep a record of: (i) the dates the employee was off sick; (ii) which of those dates qualified for SSP; (iii) the reason why the employee was off work; and (iv) the employee’s National Insurance number. Such records should be kept for three years after the date the employer receives the reclaimed sum.
- Employers should not require a GP note from employees who are off work in the short term due to COVID-19, and this will not be required to obtain a SSP refund. However, for those who have to self-isolate for more than seven days, an alternative “isolation note” from NHS 111 is available online [here](#). Additionally, employers can request a “shielding note” from the employee’s GP or health authority to confirm that they have been advised to shield.

Enforced leave / use of holiday (paid vs unpaid)

- All employers in all sectors (including both profit and not-for-profit) were eligible for the Coronavirus Job Retention Scheme (“JRS”). This scheme has now ended.
 - Employers in England may receive a bonus payment for each new apprentice they hire (subject to eligibility requirements). This was initially available for any apprentices hired between 1 August 2020 and 31 January 2021, but it was extended to 30 September 2021, and then to 31 January 2022. The level of bonus payment depends on when the apprentice is hired. From 11 January 2022 until 15 May 2022, employers are able to apply to receive £3,000 for each new apprentice hired between 1 October 2021 and 31 January 2022, with an apprenticeship start date between 1 October 2021 and 31 March 2022.
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- The bonus payment is in addition to the existing £1,000 payment the Government currently provides for new 16-18 year old apprentices and those aged under 25 with an Education, Health and Care Plan.

Temporary layoffs

- Employers may require employees to cease work, with or without pay, for a temporary period (a “**Layoff**”). A Layoff without pay is permitted only if provided for in an employment contract or a trade union agreement, or if an employer receives the employee’s consent. Legislation may be introduced to allow Layoffs without an express contractual provision or consent.
- If provided for in their employment contracts, employees may be entitled to receive “Contractual Guarantee Pay” during a Layoff period. If the Layoff is unpaid, employers may have to pay “Statutory Layoff Pay” of £30 per day if certain criteria are met (including one month’s continuous employment) for up to five days in any three-month period.
- If a Layoff period continues for four consecutive weeks or six weeks within a period of 13 weeks (of which no more than three are consecutive), employees may be entitled to claim statutory redundancy pay if certain conditions are met (including two years’ continuous service).

Reduction in pay and/or hours

- Employers may reduce an employee’s contractual hours and corresponding pay (“**Short-time Working**”) only if this is permitted in the employee’s employment contract or a trade union agreement or if they receive the employee’s consent.
- During a Short-time Working period, employees should receive full pay unless their employment contracts provide for unpaid Short-time Working or Contractual Guarantee Pay of a different amount. If the Short-time Working arrangement is unpaid, employers may have to pay Statutory Layoff Pay in relation to days on which no hours are worked.
- If a Short-time Working period continues for four consecutive weeks or six weeks within a period of 13 weeks (of which no more than three are consecutive), employees may be entitled to claim statutory redundancy pay if certain conditions are met (including two years’ continuous service).

Terminations

- Employees with two years’ continuous service may have a claim for unfair dismissal where their employment is terminated, unless there is a fair reason (as defined by statute) and the employer has acted reasonably (i.e. followed a fair process). Dismissal on the grounds of redundancy may be fair where an employer has a reduced need for work of a particular kind or where a business or premises is shut down.
- Employers should consider whether furloughing employees provides a viable alternative to making employees redundant.
- Employers must follow a fair redundancy procedure, including informing/consulting with employees or, in collective redundancies of certain sizes, consulting with employee representatives over 30 or 45 days, depending on the number of employees. Employers should consider voluntary redundancy and ensure they provide adequate notice or payment in lieu of notice where applicable.

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- Employees will be entitled to statutory redundancy pay where they have worked for more than two years. Employers should check whether employees are entitled to enhanced redundancy pay.
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UK

Workforce

Teleworking

- From 27 January 2022, following the lift of “Plan B” measures, the Government advises a gradual return to the workplace in line with its ‘Working safely during coronavirus’ guidance, in order to reduce the risk of COVID-19 transmission. The current guidance can be found [here](#). The Government previously advised that employees should work from home unless this was not possible, and advising particular caution in relation to employees from vulnerable groups.
- On 17 July 2020, it was announced that from 1 August 2020, employers would be given discretion to make decisions about returning to the workplace. Such discretion means that employers can ask employees to return to the workplace, provided that steps have been taken to ensure that the workplace is “COVID-secure” and that social distancing measures are implemented. The Government emphasised that these decisions should be made by employers on a case-by-case basis and that employers are under no obligation to require employees to return to the workplace. The Government has prepared guidance for employers on reopening the workplace safely, which is available [here](#).
- Government advice no longer requires employees to work from home across the UK. However, the Government is encouraging employers to facilitate a gradual return back to the workplace, whilst still supporting employees who work from home, and to discuss this process with employees. Government guidance encourages the wearing of masks in offices (although this is no longer required by law), use of Perspex screens to separate desks, improving ventilation, and creating “fixed teams” so staff limit the number of people they come into contact with. Employers should carefully consider the needs of different groups of individuals, including taking into account the particular circumstances of those with different protected characteristics.
- Businesses operating in “high risk” settings such as nightclubs and organisers of large events are encouraged (but not legally required) to use the NHS COVID Pass. This allows individuals to prove their vaccination status and/or record a negative COVID-19 test result.
- The requirement to self-isolate for ten days (or five days if the individual has two negative lateral flow test results on consecutive days) applies in circumstances where an individual: (i) tests positive for COVID-19 or has symptoms that may be caused by COVID-19; (ii) lives with someone who has symptoms or tested positive; or (iii) has travelled from a 'red list' country. However, individuals who are fully vaccinated will not have to self-isolate in circumstance (ii), although taking a PCR test is advised.
- From 10 January 2022, certain key workers identified as critical personnel in specified sectors are required to submit to daily COVID-19 testing. The

specified sectors include food production and supply, transport, health, energy, emergency services and border control.

Travel (business and personal)

- Effective 17 May 2021, and as revised in July 2021, the ban on international travel was replaced by a traffic light system, with each colour indicating different rules surrounding testing and quarantine. Effective 4 October 2021, the traffic light system was replaced with a single 'red list'. To prevent new COVID variants from entering the UK, individuals are advised against travel to red list countries.
- Red list countries: travellers must take a COVID-19 test before arrival and quarantine for ten days in a managed quarantine hotel (which includes two COVID-19 tests). These rules apply irrespective of an individual's vaccination status. As of 15 December 2021, there are no countries on the red list for travel to the UK.
- Non-red list countries: the rules for these countries depend on an individual's vaccination status:
 - individuals who are not fully vaccinated must take a COVID-19 test and complete a passenger locator form before arrival, two further tests on or before day two and day eight after arrival, and are required to self-isolate at home for ten days. The self-isolation period can be reduced under the Test to Release scheme - this is a private test which allows individuals to end their self-isolation period early if they receive a negative COVID-19 result a minimum of five full days after arrival; but
 - individuals who are fully vaccinated no longer have to take a pre-arrival COVID-19 test but will need to complete a passenger locator form 48 hours before arrival. On or before day two after arrival, fully vaccinated travellers can take a lateral flow test or a PCR test. There is no requirement to quarantine unless the test result is positive, following which the individual must self-isolate for ten days (or six days if, during the self-isolation period, the individual has two negative lateral flow test results on both days five and six and does not have a high temperature) and take a free confirmatory PCR test.
- Individuals doing certain jobs (including but not limited to aerospace engineers, aircraft pilots and crew, border security, drivers of good vehicles and professional sportspersons) qualify for specific travel exemptions. A full list of workers who are exempt from the testing requirements is available [here](#).
- All arrivals in the UK must complete a passenger locator form ([here](#)). Providing false or deliberately misleading information when filling this out is an offence punishable by imprisonment. Individuals can be fined up to £10,000, imprisoned for up to 10 years, or both, if they do not provide accurate details about the countries they have visited in the 10 days before arriving in the UK.
- Employers should encourage staff to avoid unnecessary travel, including to and from the workplace or work-related events. In the event of necessary travel, employers should encourage staff to comply with Government guidance to minimise risks, including avoiding busy times, maintaining

distance from other commuters, and washing their hands as soon as they arrive at their destination.

- If employees cannot travel abroad as planned, it is likely that they will request a cancellation of booked annual leave. Employers are not obliged to allow employees to cancel leave, but should consider whether this would be appropriate in the circumstances.
- It is no longer a legal requirement to wear a face covering, although Government guidance “expects and recommends” that these are worn in crowded and enclosed spaces. Certain bodies and businesses have continued to require face coverings to be worn, particularly in the transport and travel sector.

**Preventive actions
(reception policy, public
interactions, management of
infected employees)**

- The Government has published guidance for employers, employees and those who are self-employed on how to keep their workplaces as safe as possible (i.e., COVID-secure). Employers must undertake a risk assessment of their workplaces using the guidance to inform decisions and control measures. The guides cover a variety of different types of workplaces including “offices and contact centres”, “construction and other outdoor work”, “performing arts”, “hotels and other guest accommodation”, and “factories, plants and warehouses”. The guidance covers topics such as who should go to work, social distancing at work and cleaning the workplace, and is available [here](#).
- Employers must consult on health and safety measures with the health and safety representative selected by a recognised trade union or, if there is no such representative, a representative chosen by employees. Employers should ensure the workforce is kept updated as to preventative actions being taken by the business and the latest guidance on how to reduce their risk.
- Where workplaces are open, employers should provide facilities for hand washing and hand sanitiser and encourage staff to use them regularly.
- Companies should ensure that managers are made aware of how to identify symptoms in staff and of procedures to follow in the event that a staff member exhibits symptoms. From 28 September 2020, employers must not knowingly require or encourage someone who is being required to self-isolate to come to work.
- From 19 July 2021, businesses in the hospitality and leisure and tourism sectors, close contact service providers and facilities provided by local authorities were no longer subject to legal requirements specifically relating to dealing with customers and visitors during COVID-19.
- On 11 November 2021, the Health and Social Care Act 2008 (Regulated Activities) (Amendment) (Coronavirus) Regulations 2021 SI 2021/891 came into force, making it mandatory for a person working in registered care homes to have a COVID-19 vaccine unless they are exempt.

**Employees with children or
older dependants**

- Employees are entitled to reasonable time off to care for dependants. This will apply, for example, to time off to care for a child whose school has closed or another dependant who is sick.
- Employers are not required by law to pay employees for time off to care for dependants unless this is provided for in employment agreements or contractual workplace policies.

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- Employers should consider whether special arrangements (for instance, flexible hours) can be made for employees whose caring responsibilities temporarily affect their availability for work. Such measures should enable employees to continue to work.

Consultants

- Some self-employed individuals (including members of partnerships who were not paid as employees under PAYE) were eligible for a second taxable grant of 70% of average monthly trading profits, measured over the last three years, paid out in a single instalment covering three months' trading profits (capped at £6,570) under the Self-Employed Income Support Scheme ("**SEISS**"), if their business had been adversely affected by COVID-19. The grant did not need to be repaid, but was subject to income tax and self-employed NICs.
 - Applications for this grant initially opened on 17 August 2020, and was extended on 24 September 2020 (the "**SEISS Extension**") to provide individuals with further grants up to 30 September 2021 (the last date to claim). This scheme is now closed.
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