



Isle of Man
Government

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COVID 19 Salary Support Scheme 2020

Guidance

Treasury

Isle of Man Government

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1. Introduction

This guidance is published under paragraph 15 of the COVID 19 Salary Support Scheme and is intended to provide employers with further information on the scheme.

The purpose of the scheme is to provide salary support for businesses adversely affected by Coronavirus at this time.

The Scheme will provide a contribution to a maximum of £280 per week per full time employee beginning with week commencing 2nd March 2020. For part time employees the maximum contribution is £280 based on contracted hours and prorated on a 35 hour week. An employee on a zero hours contract will also receive a maximum of £280 per week based on hours worked and prorated on a 35 hour week.

This contribution figure is roughly equivalent to 75% of last year's living wage calculation.

At this time both employees and employers should work with Government and the employer should pass on this contribution together with their own payment to their employees. It should be remembered that the Isle of Man minimum wage is currently £8.25 an hour.

2. Who is eligible?

Any business which has been adversely affected by the COVID 19 outbreak can apply subject to certain conditions. For this scheme, adversely affected means a reduction in revenue of at least 25% due to reduced demand or closure during the period of the grant claim. A comparison of turnover for the same period in 2019 should be used to determine whether there has been a reduction in revenue. Please note that you may be asked for evidence that your business has been adversely affected by the COVID 19 outbreak during the period of the claim. It should be noted that if your business has to take on extra staff to deal with a short term increase in demand that this will not be viewed as adverse.

A charity can be classed as a business for this purpose if they provide a service similar to that provided by a "normal" business, for instance if they receive revenue and pay remuneration for the provision of the service and are organised in a similar manner to a business.

Any business adversely affected will qualify provided:-

- they employ 1 or more employees (it will be expected that the employees were registered prior to the emergency);
For this purpose an employee will be an employee who is resident on the Island or who is being paid via the Isle of Man payroll.

- they have their place of business in the Isle of Man;
- they have been consistently meeting in full their financial obligations to their employees up to 28 February 2020 (the business therefore should have been registered as an employer with the Income Tax Division prior to that date);
- they are committed, for the duration of the period for which they seek the grant, to not laying off/make redundant any employee for whom they have sought the grant and are continuing to pay such employees at the usual intervals (Where it is agreed, employment continues albeit with little or no work and the employee will return to work at the end of this period);
- subject to any measures in force under the Emergency Powers Act 1936 they have been in operation continuously, as far as the business is able, since at least 28 February 2020 or, in respect of Period 12, 4 January 2021 (however in many cases this will involve the business closing or ceasing to trade temporarily);
- subject to any measures in force under the Emergency Powers Act 1936 they intend to continue operating, if allowed to do so, as the business is able during the current state of emergency and for the foreseeable future (however in many cases this will involve the business closing or ceasing to trade temporarily);
- continue to meet contractual obligations to employees by continuing to pay them during this period; and
- they are not in any of the excluded sectors listed below.

In addition, at the time of application-

- no person involved in controlling or managing the business should be disqualified from holding an appointment as a director or a company secretary anywhere in the world;
- no person involved in controlling the business should be the subject of outstanding executions anywhere in the world;
- no person involved in controlling the business should be insolvent at the time of application; nor
- should the business be insolvent.

Excluded Sectors

Excluded sectors are any businesses detailed in notice, [GC 2020/0037](#), published by Treasury and laid before Tynwald.

From 2 March 2020 to 19 July 2020 “excluded sector” means—

- The finance sector including but not restricted to—
 - (i) banking;
 - (ii) insurance;
 - (iii) fund industry including managers and administrators;
 - (iv) accountancy services, except for those businesses with 25 employees or less where the majority of their clients are in the Isle of Man;
 - (v) trust and corporate service providers;
 - (vi) other financial services.
- Legal services, except where at least 30% of the income of the provider of those services is derived from either or a combination of conveyancing and legal aid related work.
- IT; information technology and digital
- E-gaming etc., except for those businesses with less than 20 employees whose business generates at least 50 percent of its revenue from Sportsbook income (sports betting, rather than Casino).
- Space and utilities (including gas and telecoms).
- Public administration
- Any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers’ tax for the 2018/19 income tax year.
- Any business that receives a significant amount of its income from Isle of Man Government in any way and including payments for underwritten events.
- Any constituent entity of a MNE group under the Income Tax (Country-by-Country Reporting) Regulations 2017 (total consolidated group revenue of 750 million Euro or more).

From 20 July 2020 to 16 August 2020 “excluded sector” means—

- The finance sector including but not restricted to—
 - (i) banking;
 - (ii) insurance;
 - (iii) fund industry including managers and administrators;
 - (iv) accountancy services;
 - (v) trust and corporate service providers;
 - (vi) other financial services.
- Legal services.
- E-gaming etc.
- IT; information technology and digital
- Space and utilities (including gas and telecoms).
- Public administration
- Any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers’ tax for the 2018/19 income tax year.
- Any business that receives a significant amount of its income from Isle of Man Government in any way and including payments for underwritten events.

- Any constituent entity of a MNE group under the Income Tax (Country-by-Country Reporting) Regulations 2017 (total consolidated group revenue of 750 million Euro or more).
- Agriculture and Forestry
- Construction and related trade workers.
- Education / Teaching (Private)
- Mining & Quarrying
- Other Professional Services
- Wholesale Distribution

From 17 August 2020 to 11 October 2020 “excluded sector” means—

- All sectors except travel and tourism*.

From 12 October 2020 to 3 January 2021 “excluded sector” means—

All sectors except –

- Travel and tourism*; and
- Launderettes, where, in the year prior to the COVID-19 pandemic, more than 50% of the businesses’ turnover was derived from the hotel and tourist trade.

From 4 January 2021 to 31 January 2021 “excluded sector” means—

- The finance sector including but not restricted to—
 - (i) banking;
 - (ii) insurance;
 - (iii) fund industry including managers and administrators;
 - (iv) accountancy services, except for those businesses with 25 employees or less where the majority of their clients are in the Isle of Man;
 - (v) trust and corporate service providers;
 - (vi) other financial services.
- Legal services, except where at least 30% of the income of the provider of those services is derived from either or a combination of conveyancing and legal aid related work.
- IT; information technology and digital
- E-gaming etc., except for those businesses with less than 20 employees whose business generates at least 50 percent of its revenue from Sportsbook income (sports betting, rather than Casino).
- Space and utilities (including gas and telecoms).
- Public administration
- Any retailer that is liable to pay or will be liable to pay income tax at a 10% rate under the large retailers’ tax for the 2018/19 income tax year.
- Any business that receives a significant amount of its income from Isle of Man Government in any way and including payments for underwritten events.
- Any constituent entity of a MNE group under the Income Tax (Country-by-Country Reporting) Regulations 2017 (total consolidated group revenue of 750 million Euro or more).

* For the purposes of excluded sectors:-

"travel and tourism" means a business with income wholly or mainly from:

Travel - including but not limited to:

- a travel agent;
- a tour operator;
- a coach operator;
- a private car hire operator;
- a car rental business;
- an airport/seaport based taxi operator; or
- an airport parking/valeting business.

Tourism

- any of the premises specified in Schedule 4 to the Tourist Act 1975 (see Appendix A) excluding temporary campsites and homestay;

3. How to Apply

An application must be made to Treasury, in writing, on the prescribed form and accompanied by any documentation deemed necessary by Treasury.

Each claim is for a four week period.

The first claim is for the four weeks beginning 2nd, 9th, 16th and 23rd March.

The second claim is for four weeks beginning 30th March, 6th 13th and 20th April.

The third claim is for the four weeks beginning 27th April 4th, 11th and 18th May.

The fourth claim is for the four weeks beginning 25th May, 1st, 8th and 15th June.

The fifth claim is for the four weeks beginning 22nd, 29th June, 6th and 13th July.

The sixth claim is for the four weeks beginning 20th, 27th July, 3rd and 10th August.

The seventh claim is for the four weeks beginning 17th, 24th, 31st August and 7th September 2020.

The eighth claim is for the four weeks beginning 14th, 21st, 28th September and 5th October 2020.

The ninth claim is for the four weeks beginning 12th, 19th, 26th October and 2nd November 2020.

The tenth claim is for the four weeks beginning 9th, 16th, 23rd and 30th November 2020.

The eleventh claim is for the four weeks beginning 7th, 14th, 21st and 28th December 2020.

The twelfth claim is for the four weeks beginning 4th, 11th, 18th and 25th January 2021.

The thirteenth claim is for four weeks beginning 1st, 8th, 15th and 22nd February 2021.

The fourteenth claim is for four weeks beginning 1st, 8th, 15th and 22nd March 2021.

If the business was not affected by the Virus until part way through the claim period it can claim for those weeks it was affected.

Any business that has monthly pay with a pay date shortly after the last day of the claim period can still make a claim based on the amount of pay the employee will receive for that period provided the employee is paid on the usual pay date.

Please note that a claim cannot be made for a 4 week period until after that period has finished otherwise the business will not know whether it has continued to pay its employees or whether it is adversely affected for that period.

Applications for claim periods must be made no later than 30 days after the end of the month in which the payments of salary were made.

A late application will be considered where the reason for a delay in submission is due to circumstances outside of the applicant's control.

Application can be made online at covid19.gov.im. Guidance on completing the application form can be found [here](#).

[The Employee Details Spreadsheet](#), which must be submitted with the application, will calculate the maximum award based on the contracted hours, or the hours worked in the case of a zero hours contract worker. If a business does not want to claim the maximum amount, the total claim amount declared on the application form can be adjusted accordingly. Please include the reason for not claiming the maximum in the comments box on the form to eliminate any delay in processing. The application should only be in respect of employees who have been paid for the weeks that are being claimed, including periods of paid leave with the exception of the circumstances in relation to monthly paid employees as outlined above.

An application can be made after an employee has been made redundant but only in respect of the weeks which the employee was paid for. Any weeks which fall after the date of redundancy can not be claimed for.

If, for any reason, an employee is not paid, the business is not entitled to make a claim in respect of that employee.

A business does not have to claim the maximum amount but can claim any amount up to that maximum. If the maximum amount is not being claimed it is advisable to note the reason why on the application. This will eliminate the need for delay in checking application amounts. A business should also only claim for the weeks that it was adversely affected by the Virus.

In order to complete the form, the following details will be required—

- The name and national insurance number of each employee for which salary support is being claimed;
- The amount paid to each employee for the period of the claim;
- The amount of the contribution being claimed in respect of each employee;
 - i. This will be a maximum of £280 for each full time employee (35 hours);
 - ii. A proportion of £280 for part time employees based on contracted hours and prorated on a 35 hour week;
 - iii. A proportion of £280 for zero hours contracted employees based on the hours worked and prorated on a 35 hour week.
- Confirmation that the employee was employed by the business for the weeks in the application;
- The weeks to which the claim relates;
- The sector your business falls within;
- Bank details to which you want any monies payable to be paid into;
- Any arrears the business has in relation to—
 - income tax;
 - National Insurance contributions;
 - value added tax; or
 - any other taxes or duties payable.

Please note that you may be asked for evidence that your business has been adversely affected by the COVID 19 outbreak during the period of the claim.

4. How much can I claim?

£280 per week, per full time employee, is the maximum amount of contribution that can be claimed. If an employee works more than 35 hours a week the maximum is still £280 per week.

Any part time employee will qualify for a maximum contribution of £280 based on contracted hours and prorated on a 35 hour week.

Any employee on a zero hours or flexible working hours contract will qualify for a maximum contribution of £280 based on the hours worked and prorated on a 35 hour week.

If an employer has insisted that the employee takes normal holidays in accordance with the annual leave regulations then the salary support can be claimed in the usual way.

Each application should be made monthly, cover a 4 week period in arrears and be made no later than 30 days after the end of the month the last salary payment in the 4 week period was made. A late application will be considered where the reason for a delay in submission is due to circumstances outside of the applicant's control.

It is recognised that some businesses are less affected than others and therefore the number of weeks the business has suffered and the level of support required will differ.

A business that is a company and either part of a group or that has companies with the same ultimate beneficial owner should ensure that it only claims for each employee once. Any double counting will be recovered at a later date and will be an offence under paragraph 12(2) of the scheme.

A business can continue to pay an employee who is asked to stop work temporarily, if the employee is full time a maximum of £280 can be claimed each week.

Equally an employee who is usually full time but whose hours have been reduced temporarily during the emergency is still a full time employee for the purpose of this scheme.

As the scheme is a salary support scheme it is expected that the employee is paid at least the amount claimed and where this is not the case the support payment may be refused.

A director of a company will be an employee under the scheme if that director is in receipt of regular remuneration from the company and registered with the tax office as an employee. A director who is not in receipt of any remuneration is not an employee for the purposes of this scheme. A dividend is not considered remuneration.

Some worked examples are below:

Example 1

A business has 15 employees who were paid in excess of the minimum wage for the weeks beginning 2nd, 9th, 16th, 23rd March 2020. It would now like to claim the salary support contribution due to a significant downturn in business due to the virus.

The business has 10 full time employees, 3 part time and 2 on zero hour contracts. For the 10 full time employees, the employer can claim £280 per week, totalling £2,800 for each of the four weeks.

The three part time employees have contracted hours of 10, 15 and 20 hours per week, the employer can claim the following:

	Pro Rata	Claim
Employee 1	10/35 x	£280 = £80.00
Employee 2	15/35 x	£280= £120.00
Employee 3	20/35 x	£280= £160.00
Claim per week		£360.00

The two employees on zero hours contracts, one who worked 12 hours and one who worked no hours per week

	Pro Rata	Claim
Employee 4	12/35 x	£280= £96
Employee 5	0/35 x	£280 x 0 = £0
Claim per week		£96

The employer could therefore claim £3,256.00 for each week for their 15 employees, in arrears. A four week total of £13,024.00.

Example 2

A restaurant business has 10 employees but was not adversely affected by the virus immediately. It was not until the Government closed business under the Emergency Powers Act on the 24th March 2020 that the business was adversely affected losing more than 25% of its revenue at that time.

Despite having to close, the restaurant is now delivering meals and has been able to operate on a reduced scale.

The business has continued to pay its employees at least the minimum wage and has not made anyone redundant.

For the first four weeks of the scheme the business will make the following claim-

2nd March 2020 –no claim
 9th March 2020- no claim
 16th March 2020- no claim
 23rd March 2020

Five of the employees are full time and work in excess of 35 hours a week and the other 5 employees are part time and work 20 hours a week. The employer has continued to pay each of these employees at least the minimum wage of £288.75 a week.

The maximum the business can claim is therefore for the 5 full time employees is
 $5 \times £280 = £1,400$

The maximum the business can claim for the five part time employees is

$5 \times £160(280 \times 20/35) = £800$).

In the first four week claim the business could therefore claim a total of £2,200 (£1,400+£800)

5. Processing of applications

On receipt, an application will be considered by the Treasury to ensure that it is eligible under the scheme and if so, the payment that should be made. The applicant will be notified of the decision in writing.

If for any week your employer pays you over £50 you will not be eligible for Manx Earnings Replacement Allowance (MERA) for that week.

The information submitted on the application may be shared with the Assessor of Income Tax, the Collector of Customs and Excise and Social Security to ensure that a false application is not made. It is expected that some checks will be carried out retrospectively in order to ensure that this scheme is not abused.

The scheme allows for recovery of any funds against employers who have made a false application in any respect. In the case of a company funds can be recovered from directors of the company or shareholders if it is found that the scheme has been abused.

6. False Applications

Any person including in the case of a company, a company director, who provides false, incomplete or misleading information in connection with an application under the scheme will commit an offence.

A person who commits an offence is liable to a summary conviction to custody of up to 6 months, to a fine of up to £5,000 or both.

A false, incomplete or misleading claim may also lead to recovery of all of the grant provided under the salary support scheme.

Recovery may be claimed from the business or if the business is a company from the directors or shareholders of that company.

Checks on the claims will be made prior to payment of the assistance and also retrospectively to ensure that claim has been made correctly.

7. Review of Decision

Should an applicant disagree with the outcome of their application they can ask for a review of the decision.

The request for a review must be made to the Treasury within one month of the decision.

The Treasury will appoint an officer of Treasury or another person to review how the decision was reached and provide a report to the Treasury. If it is concluded that in reaching the decision, the original decision maker—

- (a) erred in law;
- (b) based the decision on any incorrect material fact; or
- (c) exercised a discretion in an unreasonable manner,

the Treasury will reconsider the application taking into account the findings of the review.

8. Consideration of Exceptional Applications

The Chief Financial Officer of the Treasury may consider that a business is included as a qualifying business under the scheme or alternately may exclude a business which in his opinion should not obtain a grant under the scheme, if he considers that it is in the best interests of the Island economy. He may also determine the amount of support to be paid, to whom it is paid and in respect of whom.

Any business that is not a qualifying business, but considers that it should receive a grant under this scheme should go to [GD 2020/0011](#). This includes those companies that have no employees.

In considering any decision to include or exclude a business from the Scheme the CFO shall consider the following:

- a. whether the business was viable before the pandemic and likely to remain viable in the long term post the current pandemic;
- b. whether the business provides a service that is of local importance and has economic or social value that would warrant inclusion;
- c. whether, without support, the business is likely to make major decisions that affect its long term viability, and is likely to make staff redundant; and

- d. whether, with support, the business is able to continue to operate and maintain core staffing to provide the services above (e.g. will this make a difference).

9. Publication of Report

The Treasury may publish a report to be laid before Tynwald detailing the names of each business and the amount of grant paid.

Appendix A

Tourist Act 1975

SCHEDULE 4
DESCRIPTIONS OF LAND INCLUDED IN EXPRESSION
"TOURIST PREMISES"
Section 21

1. Any premises used for the lodging for reward of tourists or visitors.
2. Residential hotels.
3. Holiday hotels.
4. Private hotels.
5. Tourist inns.
6. Motor inns.
7. Road houses.
8. Guest houses.
9. Boarding houses.
10. Lodging houses.
11. Flats, flatlets or other rented accommodation used or intended to be used for accommodating tourists.
12. Holiday hostels.
13. Holiday camps.
14. Holiday villages.
15. Camping sites.
16. Caravan sites.



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