



HM Government
of Gibraltar

BEAT COVID-19 MEASURES

GUIDELINES FOR APPLICATIONS

25 MARCH 2020



Business & Employee Assistance Terms

The BEAT COVID-19 Guidelines

A scheme to be known as the Business & Employee Assistance Terms (or BEAT) is designed to protect Gibraltar's economy and its people. The scheme will be available to inactive employees and self-employed individuals from relevant sectors that have been affected by the restrictions on economic activity and free movement of people. The scheme provides direct financial support so employers can retain their staff and pay them their salaries at a fixed rate, known as the BEAT COVID-19 rate.

The Government has also announced measures for business which are summarised in the table contained in the Annex to these guidelines.

How does the BEAT COVID-19 scheme work?

The Government will set up a Special Fund. Employers from relevant sectors can make an online application for a payment from this Fund. Employers can only apply in respect of their "inactive employees", that is registered employees that they have sent home and are not working. The employer then receives a global payment from the Government Special Fund and the employer is **legally required** to make an onward payment to each of their inactive employees.

The scheme is designed to be easy to access and to provide no more and no less than what will be needed by these individuals during this period. The focus is to help businesses to enable them to retain their employees and for employees to have access to some money.

What are the key elements of the measure?

Claiming will require employers to complete an online form which can be found at www.beatcovid19.gov.gi

That claim will result in businesses receiving a monthly payment from the Government.

Those businesses will then have to pay the amounts received to each employee as if it were a salary payment.

Businesses will NOT be entitled to retain or deduct any amount from the amount corresponding to each employee.

It will be an offence for them to do so.

In the case of the self-employed person, claims can be made by the self-employed person themselves who will receive the monthly payment direct.

Which employees have the right to these payments?

Registered employees that are designated by their employer as being inactive will have the right to access this payment via their employer. The “inactive employee” is a new status in law that is being created for employees during the COVID-19 pandemic. An employee is only inactive if they have been sent home by their employer and they are **not** working from home. An employee who is on sick leave or undergoing self-isolation is not considered to be inactive.

Employers are under an obligation to advise Government if an employee, for whatever reason, ceases to be an inactive person. This can happen, for example, if the person returns to work and we hope to see many people return to work as soon as possible.

Employers who continue some, but not all, of their business operations will have to decide which employees are to be registered as inactive. This decision is for employers to make but we would expect them to make these decisions in good faith and transparently with their employees.

Any inactive employee in receipt of these payments may be called upon by Government to undertake such tasks as Government may reasonably determine they are skilled to carry out.

Can employers rotate inactive employees?

Employers are not allowed to rotate inactive employees. Once an individual has been registered as inactive they will continue to be inactive for the relevant period.

The length of the COVID-19 pandemic is presently unknown. Employers wishing to rotate their employees may do so at the end of a calendar month by notifying the Director of Employment that an inactive employee is due to become active whilst an active employee is due to become inactive for the

following calendar month. The precise process for this to happen is presently under review.

Who do the measures NOT apply to?

To qualify, an individual will have to be registered by their employer in a relevant sector, as an “inactive employee”.

An inactive employee will be a worker whose employer has experienced a downturn or cessation in business, and as a consequence of this downturn or cessation, has sent the employee home.

It does not include an employee who is tasked or able to work from home.

Inactive employees may otherwise have been at risk of dismissal, layoff or sent home without pay or on a reduced pay which the Government recognised would have been very difficult for them.

An inactive person, in the case of a self-employed individual, is a person whose income is from a relevant sector that is affected by the COVID-19 emergency and who is consigned to their home by the lockdown measures announced.

Can all employers participate in this scheme?

In order to claim, the employer must be within a relevant sector.

We have defined the relevant sectors by exclusion. So, rather than define each relevant sector, we have made a list of excluded sectors and categorised all other sectors as a relevant sector. This definition can be found in the Annex to these guidelines.

The excluded sectors will be reviewed on an ongoing basis and the online version of this guide will change to reflect that as and when appropriate.

The measures will also apply to the self-employed, part-time employees, those on zero-hour contracts and agency workers. These individuals must of course have been properly registered and thereby have the “Notice of Terms of Engagement” registered with the Department of Employment. The payments for these individuals are based on an average of the hours they worked in the first two and a half months of this year.

When can I expect to receive my payment?

The measures are designed and calibrated to operate for the month of April 2020, they are essentially a partial replacement for the April salary. The first payments should allow employers to be in a position to pay their inactive employees by the end of April. The Government expects employers to pay March 2020 salaries thereby sharing the burden with Government.

We are also making arrangements so that we are able to continue these payments if necessary through the months of May and June, when we expect the economy to bear the brunt of the downturn in business.

Employers from relevant sectors are able to apply immediately for the employees they register as inactive to be paid for by the Government. Employers who are able to, are expected to supplement and top up the BEAT payments to their employees so that they receive their full salary.

The Government reserves the right to adjust the BEAT COVID-19 rate depending on the duration of the pandemic, its effect on the economy and the number of applicants.

In the event that the lockdown conditions are lifted part way through a calendar month, the Government will make announcements as to how it intends to adjust the BEAT COVID-19 payment for the period following such an announcement.

Can employment be terminated?

The Government's economic focus is to preserve our economy intact, insofar as possible, so it is ready to bounce back when this crisis is over. In order to preserve the rights of employees, terminations of employment from 15 March 2020 will not be allowed without the specific consent of the Director of Employment.

The Director of Employment will not grant consent for the registration of any such termination save in exceptional circumstances.

Our BEAT COVID-19 measures are aimed at protecting jobs and retaining employment, whilst ensuring that employers are further equipped to fund employees to receive an income sufficient to meet basic needs and put food on the table.

How to access the measures?

The measures are not designed for the individual employee to access directly.

They are aimed at a claim by the business that is the employer or in the case of the self-employed person, by that individual.

The online application form needs to be completed by employers or self-employed individuals, and not employees.

What information does the employer need to provide?

It is fundamental that we are provided with contact details and the relevant bank details for the business.

These bank details are key as this is where the total of the BEAT COVID-19 rate amounts will be sent in time for the payment to employees to be made by the employers by the end of the month of April 2020.

The employer will need to inform us of how many of their employees will be designated as inactive.

The details we will require will include the name, position, tax reference number and the individual employee's contact details (mobile and email address) for each employee.

Why are the details of the employees required?

The reason we are going to ask for contact details for employees is to ensure that the information provided by employers may be checked on a sample basis.

The Government may ask employees on a one-to-one basis whether the information contained in the form is correct.

The Government is also aiming to let employees know when a payment is made to their employer, such that the employee knows when to expect their payment.

These details are also required in case more than one employer claims for the same employee. An individual is only allowed to be the subject of one receipt. Any individual in receipt of more than one BEAT COVID-19 monthly payment is under a legal obligation to repay this to Government.

Employees will also be asked to advise Government if the employer fails to make that payment.

What is the difference for full-time and part-time employees?

The form requests information on whether each employee is in full time or part time employment.

A person will be deemed to be working full time if they are working 7.5 hours or more each day or more.

If the person works part time, the employer should provide the total amount of hours that individual has worked for the period from 2 January 2020 to 15 March 2020 and we will calculate the daily average hours worked in that period. This amount is based on the 52 working days from 2 January 2020 to 15 March 2020. The average amount cannot exceed 7.5 hours per day.

The same is true for those on zero-hour contracts or agency workers who have worked an average of less than 7.5 hours a day in the first ten weeks of the year.

This is important as this amount of hours will be used to pro-rate the daily BEAT COVID-19 rate for part-time employees.

How much will the employee be paid?

Eligible businesses that apply will receive the relevant BEAT COVID-19 rate for each inactive employee so they can remunerate them.

That rate will be £1,155 per month for a full-time employee and any fraction thereof for those who work less than full time.

An employee who has worked the average of 4 hours a day will therefore, for example, receive £616 for a month.

The Government in turn requires the employer to process that amount which is paid to them and pass it on in its entirety and without deductions to the employee.

A failure to do this will result in criminal as well as financial penalties. Employers should heed this warning very carefully indeed.

How much is the BEAT COVID-19 rate and how is it determined?

The BEAT COVID-19 rate has been based on the minimum wage of £7 per hour and therefore the monthly amount is computed based on 7.5 hours per day and 22 days in any given month.

Do we have to pay PAYE, tax or social insurance contributions?

These amounts will be paid **tax free** whatever the cumulative income of an employee over the year might be.

The sums will attract **no PAYE or social insurance** deduction on the part of the employer, the employee or the self-employed.

Also, in order to ensure that no one is disadvantaged in the future, we will provide in law that social insurance records be deemed as paid in April even though the Government has waived them. The amounts received by employees do not need to be reflected in the year-end tax returns as there will be no PAYE to offset.

We will have the PAYE and social insurance returns for this period and we will cross check against these records to ensure that no employer seeks to cheat the mechanisms being put in place.

Employers should note that there will be serious **CRIMINAL** penalties for providing false or erroneous information.

It is important to note also that the final section of the form contains a number of declarations to be made by the person completing the form.

Please note the importance of these as they include penalties for providing inaccurate or false information.

When is the payment going to be made?

We have announced this measure with the view that it will be paid toward the last week of each month during the COVID-19 Period starting from the last week in April 2020.

Unfortunately, it is simply not possible for us to validate the forms and administer payments on a weekly basis.

It is expected that those employers (or self-employed individuals) seeking to benefit from this, should complete the relevant forms as soon as possible such that these can be processed, checked and validated in time for the payment to be made by Government to all affected employers and self-employed individuals during April.

What if I need to access my workplace during lockdown?

Employers will be allowed access to their place of work even if it is an otherwise closed business, not just to enable them to access the information to complete these forms, but also to carry out essential tasks such as running a monthly payroll to ensure employees receive their payments.

What are the sanctions for abuses?

Government will not tolerate any abuse of the measures.

Any amount claimed abusively will take money from those who need it most.

As a result, the mechanisms designed have a number of internal checks incorporated to ensure fraud and abuse is kept to a minimum and severely punished when identified.

Punishments may include penalties of up to 3 times the payments claimed or received, fines of up to £ 10,000 and up to 6 months imprisonment.

Definitions

Excluded Sector is defined as :

1. Utility providers;
2. Telecommunications operators and internet service providers;
3. Data centre providers;
4. Security related businesses;
5. Cleaning related businesses
6. Care workers;
7. Courier and freight businesses;
8. Supermarkets;
9. Grocers;
10. Butchers;
11. Market Stalls
12. Wholesalers;
13. Petrol stations;
14. Food delivery companies;
15. Online gaming industry and casinos;
16. Accountancy firms;
17. Law firms;
18. Estate agents;
19. Businesses that are licensed by the FSC (including insurance businesses and intermediaries);
20. Bureau de change;
21. Pharmacies;
22. Bunkering, ship chandlers, sea transport and other shipping businesses;
23. Property management companies;
24. Businesses that are predominantly reliant on Government as their main source of income; and
25. Any other business deemed to be in substantive operation.

A Relevant Sector is any sector that is not included in the above.

These definitions may change from time to time.

Business Table of Measures

Measure	Description	Applicable to?	Reviewable?	When?	Comments
Government commercial rents	A waiver of rents for the 2 nd quarter of 2020	Relevant sector	Yes	During the 2 nd quarter of 2020	
Commercial rents from private landlords	A waiver equal to either an amount up to 50% of the rent due for the 2 nd quarter of 2020 or a waiver of this full rent and a lease extension for 3 months	Relevant sector	Yes	During the 2 nd quarter of 2020	Consideration to provide assistance to affected landlords if measure prolonged
Business rates	A waiver of rates for the 2 nd quarter of 2020	All sectors save for supermarkets and pharmacies	Yes	During the 2 nd quarter of 2020	
Utilities – electricity & water	Charges for the month of April to be spread over the following 12 month period	Relevant sector	Yes	During April 2020	Reviewed on a monthly basis
Monthly PAYE/SI	A waiver of the payment of PAYE/SI obligations to HMGoG commencing in relation to those due in April 2020 (i.e. March payroll). PAYE/SI withheld to be exceptionally retained by employer	Relevant sector	Yes	During April 2020	Reviewed on a monthly basis
	A deferral of the payment of PAYE/SI obligations to HMGoG for 12 weeks after month-end in which payment would typically be due commencing in relation to those due in May 2020 (i.e. April payroll)	All sectors	Yes	During the 2 nd quarter of 2020	Reviewed on a quarterly basis

Measure	Description	Applicable to?	Reviewable?	When?	Comments
Stock repurchase scheme	On an individual case by case basis	Relevant sector	No	N/A	One-off event
Import duty	A waiver of import duty on all classes of goods except for tobacco fuel, alcohol and motor vehicles commencing on 1 April 2020	All sectors	Yes	During April 2020	Reviewed on a monthly basis
	A rebate of import duty in relation to motor vehicles imported and sold in April 2020	All sectors	Yes	During April 2020	Reviewed on a monthly basis
Work permits and registrations	A waiver of fees for the second quarter of 2020	All sectors	Yes	During the second quarter of 2020	
Deferral of FSC fees	Payment of annual fees to be made quarterly in arrears	Financial Services sector	No	N/A	One-off deferral
Companies House fees and filings	An extension of 90 days without penalty for returns and documents	All sectors	Yes	During the second quarter of 2020	This applies to all returns and documents due to be filed in the second quarter 2020
Gaming duty	Gaming duty deferred by 3 months to the end of each quarter	Gaming sector	No	N/A	One-off deferral
Capital allowance	A capital allowance deduction against assessable profit up to a maximum of £50,000 for COVID-19 related expenditure	All sectors	No	N/A	One-off deduction