**Title: Winter lockdowns and the financial support available**

After the loosening of restrictions and the reopening of some businesses over summer, September and October ushered in the start of a second wave of the pandemic to the UK. Restrictions have been increasing steadily since, and England now finds itself in a second full lockdown. Other nations face similarly tough restrictions.

Just as some of the early employee and business support packages offered by the government were due to end, the government has taken the action to extend them, including an extension to the furlough scheme, and the availability of loan payment holidays for those in need.

Back in September, the Chancellor announced the proposed Winter Economy Plan, setting out the government’s measures to support the economy over the next six months. Whilst the plan provided a clear message for how the economy will be supported throughout the Winter and Spring, the message was one of a shifting dynamic from “Job Retention” to “Job Support” for viable positions.

Everything then changed again with stricter local lockdowns in Wales, Scotland and England, and then the announcement that England would be entering a second month long national lockdown from 5th November. The Chancellor was forced to announce a deferral of the new scheme, and an extension of Furlough, with the government now reinstating and extending the terms to a full 80% of wages (up to £2,500 per month), until at least the end of March for areas affected by lockdowns.

A revised extension to the Self-Employed Income Support Scheme (Grant Extension) has also been announced. It will be available to self-employed individuals who are both eligible for the current scheme and are actively trading. The first three-month period of the Grant Extension will pay a maximum of 80% of average monthly profits for November, December, and January, capped at a total of £7,500 over the three-month period. The grant extension has already changed three-times since announced, so could change further as the situation evolves. The Government will review the level of the second grant extension and set this in due course.

As the furlough scheme has been extended, the £1,000 incentive for businesses to retain staff has been delayed until after the scheme now ends.

It is worth noting that if your salary has been reduced as a result of any of these measures, you may be eligible for support through the welfare system, including Universal Credit. If further lockdown measures (whether these be at a local, national or on a tiered level) are imposed in the attempt to control the increase in infections, the Chancellor may be forced to announce further support measures in the future.

For an up-to-date overview of what the latest Covid-related restrictions are in other nations, follow one of the links below:

Covid rules in England: <https://www.gov.uk/coronavirus>

Covid rules in Scotland: <https://www.gov.scot/coronavirus-covid-19/>

Covid rules in Wales: <https://gov.wales/coronavirus-regulations-guidance>

Covid rules in Northern Ireland: <https://www.nidirect.gov.uk/articles/coronavirus-covid-19-regulations-guidance-what-restrictions-mean-you>

Important notices

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

© 2020 Mercer LLC. All rights reserved.

This document is intended for general information only. It does not contain investment, financial, legal, tax or any other advice and should not be relied upon for this purpose. It is not tailored to your particular personal and/or financial position. If you require advice based on your specific circumstances, you should contact a professional adviser.

*Note that the government is continuing to publish and update guidance regarding measures financial initiatives. These Q&As reflect the guidance that has been published up to 5th November 2020.*