

COVID – 19: Income Support Scheme

Income Support Supplement

Carers Responsibility Supplement, COVID-19 Positive (Individual) Supplement and COVID-19 Positive (Dependant) Supplement

Guidance Notes

1 Background

COVID-19 (caused by the coronavirus SARS-CoV-2) (the **Virus**) continues to have a major adverse impact on general economic activity in the Falkland Islands and across the world. Many Falklands' businesses have experienced a reduction in sales, revenues and profits as a consequence. In order to assist those businesses to continue to trade, the Falkland Islands Government (**FIG**) is offering various types of support. The supplements available to the self-employed under the Income Support Scheme (The Scheme) are the Income Support Supplement, Carers Responsibility Supplement, COVID-19 Positive (Individual) and COVID-19 Positive (Dependant)

Businesses who are otherwise unable to maintain their current workforce or their employees' wages, salaries and other employment benefits at current levels, may be entitled to support in respect of those employees under the **Job Retention (Furlough) Scheme**, details of which are available at www.fig.gov.fk/covid-19.

In order to assist those in self-employment (including sole traders, partnerships, casual workers and others) who have experienced a reduction in sales and earnings on account of the Virus (for example, because of a decline in orders or where they have been required, on account of the Virus, to self-isolate or to quarantine after returning from medical treatment overseas), FIG is offering to pay them an income supplement, pursuant and subject to the **Income Support Supplement** the terms of which are set out in paragraph 2.1 (a) below. The income supplement is payable at a rate of up to £2,500 per month, during the period expiring on 30th September 2022, and is designed to ensure that their net monthly earnings do not fall below 80% of their average net monthly earnings during the last pre-COVID-19 year.

In order to assist those in self-employment (including sole traders, partnerships, casual workers and others) who are not able to work, because they have caring responsibilities which have arisen because COVID-19 has led to the temporary closure of a school or nursery, FIG is offering to pay a **Carers Responsibility Supplement**, the terms of which are set out in paragraph 2.1 (b) below. The income supplement is payable at a rate of up to £2,500 per month, during the period 20th April 2022 – 30th September 2022 and is designed to ensure that their net monthly earnings do not fall below 80% of their average net monthly earnings either during the last pre-COVID-19 year or if higher, their average net monthly earnings in the previous month, or for those who were not trading in 2019, 80% of their average net monthly earnings in the previous month.

In order to assist those in self-employment (including sole traders, partnerships, casual workers and others) who are not able to work because they have tested positive for the Virus FIG is offering to pay a **COVID-19 Positive Supplement (Individual)**, the terms of which are set out in paragraph 2.1 (c) below. The income supplement is payable at the rate of average monthly earnings in the last pre-COVID-19 year, or if the business started after this date, the previous months earnings pro-rated to a maximum of 5 days and is payable during the period 20th April 2022 – 30th September 2022.

In order to assist those in self-employment (including sole traders, partnerships, casual workers and others) who are not able to work because they have sole or primary caring responsibility for a dependant who has tested positive for the Virus FIG is offering to pay a **COVID-19 Positive Supplement (Dependant)**, the terms of which are set out in paragraph 2.1(d) below. The income supplement is payable at the rate of £60 per day for a maximum of 5 days and is payable during the period 20th April 2022 – 30th September 2022.

Some businesses/individuals may be able to claim support under more than one of the supplements referred to above (subject to their respective terms), but only one of these supplements may be claimed at any one time.

FIG may announce further measures to extend (or reduce) the scope of, or otherwise amend the terms of, the Scheme in the future.

2 Terms of Support

Under the Scheme, FIG will provide Support Payments (as defined in paragraph 2.6(k)), upon and subject to the terms set out below (the **Terms**):-

2.1 **General:**

- (a) The Income Support Supplement applies to any eligible self-employed applicant who, on account of the adverse economic effects of the Virus, has experienced a reduction in their monthly revenue when compared with the level of monthly revenue during the last pre-COVID-19 year (or during the period since the commencement of the business, if less), with a consequent reduction in their average monthly net earnings.
- (b) The Carers Responsibility Supplement applies to any eligible self-employed applicant who are not able to work, because they have caring responsibilities which have arisen because COVID-19 has led to the temporary closure or reduced capacity of a school or nursery.
- (c) The COVID-19 Positive Supplement (Individuals) applies to any eligible self-employed applicant who are not able to work because they have tested positive for the Virus.
- (d) The COVID-19 Positive Supplement (Dependants) applies to any eligible self-employed applicant who are not able to work because they have caring responsibility which have arisen due to their dependant testing positive for the Virus.

2.2 **Support Payments for the Self-Employed:** With respect to each self-employed applicant who qualifies under the Scheme and who claims support in respect of one of the Supplement Payments for one or more Claim Periods (in accordance with paragraph 2.4), FIG will pay them, for the duration of a Claim Period, a Support Payment (calculated in accordance with paragraph 2.7[(b)] below) where the applicant experiences a reduction in Income (as defined in paragraphs 2.6(e) respectively below) during the Claim Period on account of the adverse economic effects of the Virus.

2.3 **Limit on Support Payments:**

- a. The Support Payments provided by FIG for the Income Support Supplement or Careers Responsibility Supplement to each eligible applicant shall not take their income (from all sources) above £2,500 per month during the Claim Period(s).
- b. The Support Payments provided by FIG for the COVID-19 Positive Supplement (Individual) to each eligible applicant shall not exceed to value of 5 days average income.
- c. The Support Payments provided by FIG for the COVID-19 Positive Supplement (Dependant) to each eligible applicant shall not exceed the value of £60 per day for a maximum of 5 days (£300).

2.4 **Claim Periods:**

- (a) Support under the Income Support Supplement Scheme is available for the duration of the Scheme Term (2.6 (h) (a)). Within that period, an applicant may claim Support Payments for one or more Claim Periods as they choose provided that any such Claim Period shall not be less than seven days in length (with the sole exception of those cases detailed at paragraph 2.7(f) for which a claim can be submitted for periods of less than seven days), and shall expire on or before the date of expiry of the Scheme Term.
- (b) Support under the Carers Responsibility Supplement is available for the duration of the Scheme Term (2.6 (h) (b)). Within that period, an applicant may claim Support Payments for one or more Claim Periods as they choose.
- (c) Support under the COVID-19 Positive Supplement (Individuals) is available for the duration of the scheme Term (2.6 (h) (b)). Within that period an applicant may claim support restricted to one claim per

applicant provided that the claim is no longer than 5 days and shall expire on or before the date of expiry of the Scheme term.

- (d) Support under the COVID-19 Positive Supplement (Dependants) is available for the duration of the scheme term (2.6 (h) (b). within that period and applicant may claim support restricted to one claim per dependant and further restricted to only one claim if more than one dependant has tested positive at the same time provided that the claim is no longer than 5 days per dependant and shall expire on or before the date of the expiry of the scheme term.

2.5 **Commencement and Duration of Scheme**

- (a) The Scheme shall be deemed to take effect on the Commencement Date and shall, subject to paragraphs 2.5(b), 2.9(b) and 4.3, continue in effect for the duration of the Scheme Term (and for such further period as shall be necessary to process and make Support Payments claimed during the Scheme Term).
- (b) Without limit to FIG's power to amend or terminate the Scheme in accordance with paragraph 2.9(b), the Scheme will be subject to review on or around 31st July 2022.

2.6 **Definitions:** For the purposes of the Scheme:-

- (a) **Claim Period** means the period in respect of which the applicant claims a Support Payment under this Scheme, being not less than seven days in length (with the sole exception of those cases detailed at paragraph 2.7(f)) for which a claim can be submitted for periods of less than seven days), and expiring on or before the date of expiry of the Scheme Term;
- (b) **Commencement Date**
- For the Income Support Supplement means 24th April 2020;
 - For the Careers Responsibility Supplement means 20th April 2022;
 - For the COVID-19 Positive Income Supplement (Individual) means 20th April 2022;
 - For the COVID-19 Positive Income Supplement (Dependant) means 20th April 2022;
- (c) **KEMH** means the King Edward VII Memorial Hospital and/or the Department of Health and Social Services, as appropriate;
- (d) **Net Earnings** means an applicant's net earnings from the business in respect of which they claim support under the Scheme; shall include contractual or regular earnings and other benefits such as contractual commission but shall exclude discretionary commission (including tips), payments or bonuses, non-cash payments or benefits-in-kind; and shall be net of, and exclude, the costs of any stock, general, administrative, operating and any other current expenses or fixed costs (as determined by the Scheme Administrator), and interest;
- (e) **Income** means the sum of an applicant's Net Earnings (as defined in paragraph 2.6(d) above) plus any other ongoing source(s) of income (including, for example, wages and salaries, pensions, etc.) earned by the applicant.
- (f) **Non-essential worker** means any person whose employment or business does not fall within the category of essential work as specified by FIG from time to time;
- (g) **Revenue** means the aggregate income of an applicant from the sale of goods and services undertaken as part of the normal commercial activities of the business in respect of which they make a claim under the Scheme but excluding capital receipts;
- (h) **Scheme Term**
- For the Income Support Supplement means the period commencing on and from the Commencement Date and expiring on 30th September 2022, during which Support Payments may be claimed;
 - For the Carers Responsibility Allowance, COVID-19 Positive Supplement (Individuals) and COVID-19 positive Supplement (Dependents) means the period commencing on the 20 April

2022 and expiring on the 30 September 2022, during which Support Payments may be claimed.

- (i) **Self-employed** includes those whose primary occupation (i.e. main source of income) over the last pre-COVID-19 year or for the Carer Responsibility Supplement, COVID-19 Positive Supplement (Individual) and COVID-19 Positive Supplement (Dependent) for the month before applying, was that of sole traders, partners in a partnership (but not the employees or salaried partners of such partnerships, or the members or employees of limited liability partnerships), casual workers or workers on zero-hours contracts, and the sole or principal proprietors of companies;
- (j) **Sole carer** means a person who has sole or principal responsibility for the care of a child under the age of 16 years and who does not receive regular support in discharging this responsibility from their spouse, other family members or other parties, or who shares responsibility for the care of such a child with one or more persons, each of whom is incapacitated or otherwise unable to provide support during the period of that child's self-isolation; and
- (k) **Support Payment** means a payment to an applicant calculated in accordance with paragraph 2.7[(b)].

2.7 **Support Payments**

- (a) Support Payments will be provided in respect of applicants who, on account of the adverse economic effects of the Virus, experience a reduction in Income.
- (b) Subject to the limit set out in paragraph 2.3, Support Payments will be calculated as follows –

Income Support Supplement and **Carers Responsibility Supplement** payment for one month = 80% of Average Monthly Income less the Target Month Income;

For COVID-19 Positive (Individual) Supplement for five days = 100% of Average Monthly Income less the Target Month Income pro-rated for the five days;

For COVID-19 Positive (Dependant) Supplement £60 per day for a maximum of five days.

Where:-

- **Average Monthly Income for the Income Supplement** means the average monthly Income during the last pre-COVID-19 year (or the lesser period since the commencement of the business, if applicable); and shall be calculated by taking the applicant's aggregate Income for that year and dividing that total by 12. The applicant's Income for such lesser period shall be calculated by taking their aggregate Income for that period and dividing that total by the number of months comprised in that period;
- **Average Monthly Income for the Carers Responsibility Supplement and COVID-19 Positive Supplement** - means the average monthly Income during the last pre-COVID-19 year (or the lesser period since the commencement of the business, if applicable) or if higher, the average net monthly earnings in the previous month. The average monthly income for the last pre-COVID 19 year shall be calculated by taking the applicant's aggregate Income for that year and dividing that total by 12. The applicant's Income for such lesser period shall be calculated by taking their aggregate Income for that period and dividing that total by the number of months comprised in that period;
- **Target Month** means the last full month of the applicant's operations prior to the date of the applicant's application under this Scheme; and
- **Target Month Income** means the applicant's Income in the Target Month.

Provided that:-

In circumstances where the applicant is not able to identify such Target Month Income due to the fact that they are not able to identify their Net Earnings in the Target Month, Target Month Income may, at the discretion of the Scheme Administrator and subject to its approval, be calculated as follows:-

Target Month Income =
Target Month Revenue multiplied by Average Operating Margin

plus any other source(s) of Income earned by the applicant in the Target Month

Where:-

- **Average Operating Margin** means the ratio of Average Monthly Net Earnings over the Average Revenue;
- **Average Net Earnings** means the average monthly Net Earnings of the relevant business during the last pre-COVID-19 year (or the lesser period since the commencement of the business, if applicable);
- **Average Revenue** means the average monthly Revenue of the relevant business during the last pre-COVID-19 year (or the lesser period since the commencement of the business, if applicable);
- **Target Month** shall be as defined above;
- **Target Month Revenue** means the Revenue accruing to the relevant business during the Target Month,

Provided that:-

Average Monthly Net Earnings and Average Revenue shall each be assessed by reference to the applicant's most recent tax assessment and relevant annual accounts.

- (c) For any Claim Period of less than one month's duration, the Support Payment shall be a pro rata share of the amount calculated in accordance with paragraph 2.7[(b)]; and for any Claim Period of more than one month's duration, such Support Payment shall be increased proportionately (subject in each case to the limit referred to in paragraph 2.3 above).
- (d) A Claim Period shall not be less than seven days in length (with the sole exception of those cases detailed at paragraph 2.7(f) for which a claim can be submitted for periods of less than seven days), and shall expire on or before the date of the expiry of the Scheme Term.
- (e) An employer can make a claim under the Job Retention (Furlough) Scheme in respect of an employee **who is also self-employed on a part-time basis, notwithstanding that the employee makes or intends** to make a claim in their self-employed capacity under this Scheme. However (without limitation to paragraph 2.3 above), the total support provided under this Scheme and under the Job Retention (Furlough) Scheme for or in respect of that employee shall not exceed the sum of £2,500 per month during any Furlough Period (as referred to in the Job Retention (Furlough) Scheme) or any Claim Period. It is the self-employed applicant's responsibility to confirm whether they are also employed and if so, to notify FIG of their employer(s) when making their application.
- (f) If a self-employed applicant's Income is reduced because they are:-
 - (i) required by KEMH or FIG to self-isolate on account of the Virus as they are non-essential workers, they have symptoms associated with the Virus, or a member of their household has such symptoms and has been required to self-isolate;
 - (ii) a sole carer of one or more children required by KEMH or FIG to self-isolate on account of the Virus; or
 - (iii) required by KEMH or FIG to quarantine on account of the Virus after returning to the Falkland Islands from Medical Treatment Overseas or essential training; or
 - (iv) not able to work, because they have caring responsibilities which have arisen because COVID-19 has led to the temporary closure or reduced capacity of a school or nursery; or
 - (v) Not able to work due to testing positive for the Virus; or
 - (vi) not able to work because they have caring responsibilities for a dependant who has tested positive for the Virus.

the applicant may claim support under this Scheme (subject to its Terms).

- (g) Support Payments under this Scheme will be made in monthly instalments [(upon receipt by the Scheme Administrator of a claim for that month)], or at such other intervals as the Scheme Administrator may determine; and by means of FIG's Account Payable System (or such other method

as the Scheme Administrator may specify). Applicants who are not already registered on this System will need to complete and submit to FIG a Scheme New Creditor Form. To be eligible, applicants will also need to maintain a current bank account with Standard Chartered Bank in Stanley.

2.8 Claimants

- (a) The following shall **not** be entitled to make claims for Support Payments under the Scheme:-
- (i) statutory corporations and other bodies which are in receipt of regular and substantial subventions from FIG (such that the subvention forms part of FIG's budget process and the recipient body is named in FIG's approved estimates);
 - (ii) the Museum and National Trust (as established pursuant to the Museum and National Trust Ordinance 1991);
 - (iii) governments or public authorities of countries or territories other than the Falkland Islands;
 - (iv) applicants whose activities are wholly or substantially conducted outside the Falkland Islands; and
 - (v) applicants engaged by the Ministry of Defence (**MoD**) and their sub-contractors (including, without limitation, those named in the Taxes and Duties (Defence Contractors' Employees Exemption) Order 2019), in each case to the extent engaged in MoD-related work and to the extent that such applicants or sub-contractors are receiving Virus-related support from the MoD or other UK government departments or offices in terms substantially similar (as determined by the Scheme Administrator) to the support available under the Scheme.
- (b) To be eligible for any Grant Payments under the Scheme, the applicant must:-
- (i) for the Income Support Supplement have been engaged in the same self-employed business for not less than three months prior to the commencement of the (first) Claim Period, and intend, to the satisfaction of the Scheme Administrator, to continue to trade in that or another business in the future or to find another occupation;
 - (ii) For the Carer Responsibility Supplement have been engaged in the self-employed business for not less than 30 days prior to the commencement of the (first) Claim Period, and intend, to the satisfaction of the Scheme Administrator, to continue to trade in that or another business in the future or to find another occupation;
 - (iii) If he or she is an individual, have (or, if the applicant is a partnership or other unincorporated association, each of its partners or members must have) the right to live and work in the Falkland Islands, hold a current, valid entitlement, permit or consent for such purpose, and be resident in the Falkland Islands throughout their Claim Period(s);
 - (iv) Be duly established and registered under the laws of the Falkland Islands and entitled to conduct business in the Falkland Islands.
- (c) A self-employed applicant may claim for one or more Claim Periods within the Scheme Term in accordance with paragraph 2.4. The applicant may claim more than one Claim Period in any one application. If the applicant claims for one Claim Period in an application but then wishes to claim for one or more further Claim Periods, they will need to submit a fresh application.
- (d) A self-employed applicant under this Scheme shall be entitled to claim further support under the Job Retention (Furlough) Scheme and/or any other Virus-related FIG support scheme (subject to their respective terms).
- (e) In making an application for Support Payments, each self-employed applicant represents and warrants that all information contained in their application and in any documents accompanying the application(s) or otherwise provided in connection with the Scheme is, to the best of their knowledge and belief (having made all reasonable enquiries), true, accurate, up-to-date and complete.
- (f) Support Payments will be taxable income in the hands of the applicant and will be subject to income or other tax in accordance with the terms of the Taxes Ordinance (as amended) and any other

relevant tax legislation, and other deductions in the normal way, depending on their individual circumstances.

2.9 *FIG and Scheme Administration*

- (a) The Scheme is administered by the Financial Secretary with the support of the Head of Finance (together the **Scheme Administrator**).
- (b) FIG may, at its discretion, extend (or reduce) the length of the Scheme Term, change the categories of claimants under the Scheme, amend the Terms, or otherwise make changes to, or terminate, the Scheme at any time. In the event that FIG extends (or reduces) the length of the Scheme Term, the Scheme Administrator shall be entitled to reduce or extend any Claim Period accordingly or provide support on a pro-rata basis in respect of such reduced Claim Period. Any such changes may be communicated (on not less than seven days' notice) to individual claimants or by means of public notice in the Gazette or on FIG's website.
- (c) FIG shall be entitled to audit each applicant's compliance with the Terms on giving them not less than three working days' prior written notice; and the applicant shall provide FIG with access to such information, premises, employees and agents as FIG may reasonably request.
- (d) FIG shall be entitled to verify an applicant's self-employed status and claims under the Scheme by reference to their tax and other records as maintained at the FIG Tax Office or other departments within FIG.
- (e) FIG shall be entitled to verify that a self-employed applicant has been required to self-isolate or quarantine for the purposes of paragraph 2.7(f) by reference to their medical or other records as maintained at KEMH or other departments within FIG.
- (f) FIG shall not be required to make payment for either COVID-19 Positive Supplements without either a photo of the positive LFT where the serial number and QR code is visible or confirmation of a positive PCR which should be submitted with the application.
- (g) FIG shall be entitled to verify the school/nursery has either closed or had reduced capacity by contacting them directly for each application.
- (h) In the event that a self-employed applicant is in breach of the requirements of the Scheme or any of their undertakings, or provides information for the purposes of the Scheme which is false, misleading or otherwise in breach of paragraph 2.8(f) above, FIG shall be entitled to the repayment of any Support Payments made under the Scheme (in whole or part) and to recover that amount as a civil debt. In the event that applicants receive Support Payments of amounts in excess of those to which they are entitled under the Scheme, FIG reserves the right to recover any over-payment from the applicant concerned. Any fraudulent activity in connection with the Scheme may be subject to criminal proceedings.

3. **Applications under the Scheme**

- 3.1 In order to obtain support under the Scheme, an applicant needs to complete the application form available from www.falklands.gov.fk/covid-19/business-support. The information provided in that form and in any documents enclosed with an application(s) or otherwise provided in connection with the Scheme will form part of the agreement the applicant enters into with FIG in relation to the Scheme. As these documents will be legally binding on them if successful, applicants are advised to obtain their own independent legal advice on their content, effect and implications.
- 3.2 In submitting an application and/or accepting any support under the Scheme, the applicant will be deemed to accept, and agree to be bound by, the Terms and by the declaration contained in their application(s).
- 3.3 If an applicant has any questions or needs any assistance in completing the application form, they should e-mail treasury.support@sec.gov.fk or phone 28470.

4. **The Application Process**

4.1 To apply for support under this Scheme, please send a completed application form to the Scheme Administrator by e-mail (treasury.support@sec.gov.fk, as above) or by post to the Tax Office, St Marys Walk, Stanley, Falkland Islands, FIQQ 1ZZ.

For Income Support Supplement – Income Supplement and Carers Responsibility supplement Form

For Carers Responsibility Supplement - Income Supplement and Carers Responsibility supplement Form

For COVID-19 Positive Supplement (Individual) – SE COVID-19 Positive Supplement (Individual) Form

For COVID-19 Positive Supplement (Dependant) – SE COVID-19 Positive Supplement (Dependant) Form

4.2 The application(s) should be supported by copies of the documents listed in the application form (or those relevant).

4.3 Applications may be submitted at any time during the Scheme Term, or until FIG gives notice that no further funds are available under the Scheme. Each application must have been submitted before the end of the Scheme Term or by the date specified in that notice.

4.4 Applicants must notify the Scheme Administrator of any change in the information contained in their applications.

4.5 Applications will be assessed by the Scheme Administrator who shall be entitled to require such further information or clarification from an applicant as they think fit. The Scheme Administrator will endeavour to decide an application and communicate that decision as soon as reasonably practicable (and in any event within twenty-one days) after receipt of an application.