



PRESS RELEASE

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NEW BEAT COVID MEASURES ANNOUNCED

Self-help BEAT COVID MEASURES in the Excluded Sector - Part time BEAT COVID MEASURES in the Included Sector

Following on from the Chief Minister's press conference of May the 4th, Her Majesty's Government of Gibraltar has now published an amendment to the Appropriation (Business Employee Assistance Terms COVID-19) Regulations 2020 setting out the terms applicable to the private sector BEAT furlough scheme.

Any Excluded Sector businesses can now, with the approval of the Financial Secretary, seek to designate their employees as 'inactive' with the consent of the Director of Employment.

If consent is granted, the employer would be able to pay their inactive employees either 50% of their salary or the BEAT COVID rate, whichever is the higher.

These payments would be funded exclusively by employers but not attract PAYE or Social Insurance.

There is a general restriction so employers can only apply this scheme to a maximum of 25% of their workforce.

The maximum period that an employee can be furloughed under this scheme is 35 days.

This will allow employers to be able to rotate their staff on a half-day, weekly, bi-weekly or even monthly basis, as they see fit.

Any number of staff to be furloughed over 25% of the workforce or for a period beyond 35 days would only be considered by Government under exceptional circumstances.

The newly introduced regulation was developed following discussions with the Official Opposition with whom various drafts were exchanged, and also with CELAC, who assisted Government in sounding out how to best structure this private-sector funded scheme. HMGoG has also recorded its praise for the GGCA and Unite the Union who were able to focus Government's vision such that a direct representation mechanism for employee's trade union was secured in law under this scheme.



Additionally, the new rules will also allow businesses in the Included Sectors to make an employee inactive for only half the month of May. The Government will pay for half the wage at the BEAT COVID rate and the business will pay the employee the other half of their salary at their usual, contractual rate.

This will provide for a part time BEAT COVID Measure.

Chief Minister, Fabian Picardo QC MP, said:

“This has been a necessary extension of the BEAT scheme so that businesses from the excluded sectors, who may also be experiencing a downturn in their business, can also introduce temporary measures to support their employees during this challenging time. We have worked with all the representative bodies in CELAC, in particular the Unions, to ensure that this measure is as fair as it is necessary and useful, and although this will not be perfect, it will be important for many in the excluded sectors that, nonetheless, will have cash flow issues at this time. We have also worked with the Opposition, in particular with Keith Azopardi and Roy Clinton, on these measures. Now we are able to publish them as an important step forward in allowing companies in the excluded sectors to help themselves during the course of this pandemic period.”

Minister for Digital and Financial Services, Albert Isola MP, said:

“Whatever we are doing, we always keep an ear to the ground. Our constant sounding of business means that we can act with speed. As we were rolling out the BEAT scheme, we knew that some excluded businesses were desirous of adopting their own bespoke BEAT system and we acted on that knowledge. This is a case in point that showcases how dynamic we can be as a jurisdiction. It has taken a matter of weeks for us to design and implement the legislation required for this scheme.”