



City HR Community Chat on COVID-19 Pay, RemCo and SMCR



The pace of change continues as the Government releases more details on furloughing, firms across all sectors come under pressure to think about Executive pay and RemCos consider the ramifications of COVID-19 on governance and reputation. Against the backdrop, further guidance has also emanated from the PRA and FCA for dual regulated firms and the FCA for solo regulated firms on the Senior Managers and Certification Regime.

Claire Morland, Associate Partner in Executive Reward at AON McLagan, reinforced the media view that getting pay strategy wrong at this difficult time could have significant political and reputational repercussions for firms and for the financial services sector in general. With insights from other McLagan colleagues she set the scene on preparing the Remuneration Report for the AGM, the performance considerations for LTIPs and what COVID-19 might mean for 2020 bonuses. Firms were also reminded about Malus and Clawback. The issues covered by AON McLagan are summarised in the attached pdf.

Marian Bloodworth, Employment Partner at Kemp Little LLP, provided members with latest guidance from the regulators on SMCR. Marian's synopsis on the regulator's expectations on who should be managing Coronavirus under SMCR, key workers, managing the SMF workforce and pointers on maintaining the Certification Regime is attached. Please note

that the presentation is interactive and the key links will provide the full original source of the guidance you are seeking. This includes the latest furlough guidance.

As promised by **Paul Scarborough** during the call, HMRC have provided a helpful summary of the taxation of different home working expenses. According to **Sam J Moore** at PwC, a general principle here is that tax reliefs are generally more generous where the employer bears the cost of the benefit compared to what would be available for the employee in their tax return if meeting the cost out of their own income. That being said, there are still some areas where employees can seek a tax deduction for the costs of home working although they will be circumstance specific.

<https://www.gov.uk/guidance/check-which-expenses-are-taxable-if-your-employee-works-from-home-due-to-coronavirus-covid-19>

Finally, the meeting determined that the Coronavirus Survey on HR Policies will take place between 21st – 24th April – deliberately after the Easter Holidays and with a two week time lapse – to capture the changing face of people management as firms respond to the challenges of leading and supporting their staff through this difficult time. It will be short and simple to complete with a quick turnaround on results. Please email andreaeccles@cityhr.co.uk if you have any questions you'd like incorporated in the survey or to see the scope of what is being covered.

As ever, sending you our best wishes. Stay safe and keep well.

Andrea

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