

## COVID19: Business Support and Relief update:

The Chancellor Rishi Sunak announced the following relief to protect against the economic emergency caused by the coronavirus:

- 1) Coronavirus job retention scheme
- 2) Self Employed Income Support Scheme
- 3) Grant funding for small businesses
- 4) Business rates holiday for 12 months
- 5) Access to business interruption loans
- 6) Mortgage holiday for 3 months
- 7) The HMRC Time To Pay Scheme
- 8) A statutory sick pay relief package for SMEs
- 9) VAT liability deferral
- 10) Relief for residential and commercial Renters
- 11) Relief for charities

Please see the details in the slides below.

## COVID19:

### 1) Coronavirus job retention scheme: (Furloughed)

- a) The scheme is open to any employer in the country, will cover the cost of wages backdated to March 1st and will be open before the end of April for at least 3 months.
- b) You must have created and started a PAYE payroll scheme on or before 19 March 2020, enrolled for PAYE online and have a UK bank account to be eligible to make a claim
- c) Furloughed employees must have been on your PAYE payroll on or before 19 March 2020, and which were notified to HMRC on an RTI submission on or before 19 March 2020. This means an RTI submission notifying payment in respect of that employee to HMRC must have been made on or before 19 March 2020.
- d) If you made employees redundant, or they stopped working for you on or after 28 February 2020, you can re-employ them, put them on furlough and claim for their wages through the scheme.
- e) Employees can be on any type of contract, including apprentices, zero hour workers, nannies, agency,
- f) Employees hired after 19 March 2020 cannot be furloughed or claimed for in accordance with this scheme.
- g) If your employee has more than one employer they can be furloughed for each job. Each job is separate, and the cap applies to each employer individually.
- h) Furloughed employees cannot undertake work for or on behalf of the organisation. This includes providing services or generating revenue.
- i) A director who is not providing services or generating revenue for its Company, can be designated as Furloughed employee.
- j) Government grants will cover up to 80% of the salary of retained workers, up to a total of £2,500 a month.
- k) You'll still need to pay employer National Insurance and pension contributions on behalf of your furloughed employees, and you can claim for these too, however, the maximum is restricted to £2,500.
- l) Any employees you place on furlough must be furloughed for a minimum period of 3 consecutive weeks. When they return to work, they must be taken off furlough. Employees can be furloughed multiple times, but each separate instance must be for a minimum period of 3 consecutive weeks.
- m) The HMRC Furlough portal will go live on 20 April 2020
- n) If appropriate, worker's wages should be reduced to 80% of their salary within your payroll before they are paid. This adjustment will not be made by HMRC.
- o) The Grant received will be a taxable income

## COVID19:

### 2) Self Employed Income Support Scheme:

- a) The government will pay self-employed people, who have been adversely affected by the coronavirus, a taxable grant worth 80% of their average monthly profits over the last 3 years (2016/17, 2017/18 and 2018/19), up to £2,500 per month.
- b) Open for at least 3 months across the UK. This will be extended if necessary.
- c) You'll be able to claim these grants and continue to do business (unlike furloughed employees).
- d) It's only open to those with trading profits up to £50,000 per year, who make a majority of their income from self-employment (at least more than half of total income).
- e) Grants will be paid in a single lump sum instalment covering all 3 months, and will start to be paid at the beginning of June.
- f) Individuals should not contact HMRC now. HMRC will use existing information to check potential eligibility and invite applications once the scheme is operational.
- g) this scheme also applies to members of partnerships
- h) further information and details of the scheme will be shared shortly by HMRC
  
- i) Owner managed Companies:
  - i. Those who pay themselves a salary and dividends through their own company are not covered by the scheme but will be covered for their salary by the Coronavirus Job Retention Scheme if they are operating PAYE schemes.
  
- j) Deferral of Self-Assessment payment
  - i. The Self- Assessment payment on account that is normally due to be paid to HMRC by 31 July 2020 can now be deferred until January 2021.
  - ii. This is an automatic offer with no applications required.

## COVID19:

### 3) Grant funding for small businesses:

- a) All Small businesses already claiming SBRR (i.e. rateable value up to £15k) will be eligible to claim a one-off grant of £10,000.
- b) All Businesses within Retail, Hospitality and Leisure sector, with a rateable value between £15,000 to £51,000 will receive a grant of £25,000 per property.
- c) Businesses with rateable value above £51,000 are not eligible for a grant.

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### 4) Business rates holiday for 12 months:

- a) Giving all retail, hospitality and leisure businesses in England a 100% business rates holiday for the next 12 months
- b) Nurseries do not have to pay business rates for the 2020-21 tax year.

## COVID19:

### 5) Access to business interruption loans (CBIL):

- a) The temporary Coronavirus Business Interruption Loan Scheme supports small and medium-sized businesses with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to six years.
- b) The Government will also make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.
- c) The scheme will be delivered through commercial lenders, backed by the Government-owned British Business Bank.
- d) There are 40 accredited lenders able to offer the scheme, including all the major banks.
- e) It is best to speak to your existing business bank
- f) Commonly requested information by bank for CBIL scheme:
  - i. Cashflow forecast
  - ii. Latest Management report
  - iii. Last 3 years accounts
- g) Alternative to CBIL:
  - i. Overdraft facility
  - ii. Existing loan – capital repayment holiday

## COVID19:

### 6) Mortgage holiday for 3 months:

- a) Mortgage lenders have agreed they will support customers that are experiencing issues with their finances as a result of Covid-19, including through payment holidays of up to 3 months. This will give people the necessary time to recover and ensure they do not have to pay a penny towards their mortgage in the interim
- b) Mortgage broker SPF Private Clients said that, while lenders may ask for evidence that you are unwell, they are usually "sympathetic" to illnesses that affect a borrower's ability to pay.

## COVID19:

### 7) The HMRC Time To Pay Scheme:

- a) Government has already announced improved 'Time to Pay' arrangements to help taxpayers affected by COVID-19.
- b) Concerned businesses can call the dedicated help-line 0800 024 1222.



## COVID19:

### 8) A statutory sick pay relief package for SMEs:

- a) As part of the package to combat COVID-19, the Chancellor announced a temporary measure, promising a refund to companies with fewer than 250 employees on their costs of providing statutory sick pay (SSP) for the first 14 days of an employee's sick leave. Self-employed workers who are not eligible for SSP will be able to claim a 'new style' Employment Support Allowance.
- b) People who are advised to self-isolate for COVID-19 will soon be able to obtain an alternative to the fit note to cover this by contacting NHS 111, rather than visiting a doctor. This can be used by employees where their employers require evidence. Further details will be confirmed shortly.

## COVID19:

### 9) VAT liability deferral:

- a) To help businesses keep people in work, government is allowing to defer the VAT liability payments. The deferral will apply from 20 March 2020 until 30 June 2020.
- b) This is an automatic offer with no applications required.
- c) Taxpayers will be given until the end of the 2020-21 tax year to pay any liabilities that have accumulated during the deferral period.
- d) Customers who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay. Please do so in sufficient time so that HMRC do not attempt to automatically collect on receipt of your VAT return.

## COVID19:

### 10) Relief for residential and commercial Renters:

- a) Complete ban on evictions and additional protection for renters
- b) No new possession proceedings through applications to the court to start during the crisis
- c) Landlords will also be protected as 3 month mortgage payment holiday is extended to Buy to Let mortgages
- d) The Local Housing Allowance will cover at least 30% of market rents in your area.

## COVID19:

### 11) Relief for Charities:

- a) Charities across the UK will receive a £750 million package of support to ensure they can continue their vital work during the coronavirus outbreak, Chancellor Rishi Sunak announced today (Wednesday 8 April).
- b) £750 million pot for frontline charities across the UK – including hospices and those supporting domestic abuse victims
- c) £360 million direct from government departments and £370 million for smaller charities, including through a grant to the National Lottery Community Fund
- d) government will match donations to the National Emergencies Trust as part of the BBC's Big Night In fundraiser later this month – pledging a minimum of £20 million