

Coronavirus (COVID-19) and

Support for Businesses

Summary of Government Measures in Place in the UK

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The following information is considered accurate and correct at the time of publishing, however government advice and policy may change in a way that affects the accuracy of this document.

Up-to-date government advice and guidance regarding coronavirus can be accessed at

<https://www.gov.uk/coronavirus>

Introduction

On the 23rd March 2020, restrictions were put in place by the government to control the spread of coronavirus. Some of these changes have affected businesses around the country. Therefore, the government has laid out plans for financial support for businesses and their employees.

The purpose of this document is to provide information about financial help that is available in the UK to individuals, businesses and those who are self-employed.

We have also made some changes to the way we are working, and these are explained in Part 1.

Part 1: Changes to The Way We Are Working

At this time, we're working hard to support our clients in the best way we can. We're doing this in the following three ways:

Social Distancing

We are currently not arranging any face-to-face meetings. Our team and Subcontractors are working from home and maintaining contact in other ways.

We can stay connected over the phone or arrange a video meeting using Skype or Zoom. We are still able to provide the services you need at this time, even if we do so remotely. If you have any concerns or queries, please do not hesitate to contact us.

We have also added a booking feature on our website, allowing you to book a virtual meeting or conversation with us.

Keeping You Updated

We are working hard to contact our clients to inform them of new government measures or direction that specifically applies to them, such as the Job Retention Scheme or Self-employment Income Support Scheme.

We are also ensuring that helpful advice can be found on our website and by logging in to your online portal.

Take a look at <https://www.rosevaleaccountants.co.uk/covid-19-overview>

Supporting You

Many of our clients will be able to apply for financial support as part of new government measures.

We are working hard to guide our clients through the process and help to access the help you're entitled to. Our clients can speak with us to discuss the Job Retention Scheme and its affects to your business.

Please Note: If you are Self-employed, we cannot calculate what you are entitled to as part of the Self-employment Income Support Scheme. Your eligibility for this scheme and the amount you receive are determined by HMRC. On request, we can provide your figures from previous financial years and guidance on applying for Universal Credit.

Part 2: Support for Businesses

Coronavirus Job Retention Scheme

HMRC will set up a new online portal so that ALL UK employers, regardless of size, will be eligible for assistance where an employee has been designated as a 'furloughed worker.' HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. The current plan is that this will be in place for 3 months, at which point it will be reviewed. This will be backdated to 1 March 2020.

Employers must set out which of their employees are 'furloughed workers' and inform particular employees. The current guidance states 'You will remain employed while furloughed. Your employer could choose to fund the differences between this payment and your salary, but does not have to'

Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation. Please contact us if you have any further queries.

Deferment of VAT payments

VAT payments can be deferred for up to 3 months. Again, all UK businesses will be eligible and the scheme will run between 20 March 2020 and 30 June 2020. There is no need to apply for this scheme. Businesses will be given until the end of 2020/2021 to settle outstanding VAT liabilities that have accumulated as a result of the 3-month deferral.

Deferment of Income Tax Payments

The 2nd payment on account of tax that is due by 31 July 2020 will be deferred until 31 January 2021. Self-employed taxpayers are eligible for this deferment. There is no need to apply for this offer to apply. No penalties or interest for late payment will apply during this deferral period.

Time to Pay

Any business that pays tax to the UK government and has outstanding tax liabilities will be able to apply for their case to be reviewed by HMRC with a view to arranging a bespoke time to pay agreement. This applies to all businesses including the self-employed. HMRC has set up a dedicated helpline: 0800 0159 559.

Statutory Sick Pay

Employers will be able to reclaim up to 2 weeks of SSP payments per employee where those SSP payments related to Coronavirus. This applies to all UK employers with 250 employees or less as at 28 February 2020. The reclaim will not be via RTI, instead, HMRC will set up a new portal to facilitate this. The arrangement for processing this in the future will be included in our payroll fees. We will update you as more information is released.

IR35 for the Private Sector

Changes to the IR35 off-payroll working rules in the private sector have been delayed by 12 months to April 2021.

Business Rates

HMRC will introduce a business rates holiday for retail, hospitality and leisure businesses in England for the 2020/2021 tax year. No action is required and this will apply to your next council tax bill in April 2020 meaning that there would be no rates payable for those businesses for 2020/2021.

Cash Grants

The retail, hospitality and leisure sectors in England can also apply for a cash grant of up to £25,000 per property. For rateable values of under £15,000, they will receive £10,000. Between £15,001 and £51,000, they will receive a grant of £25,000. No action is required as local authorities will write to eligible businesses. A one-off grant for smaller businesses within the Small Business Rate Relief or Rural Rate Relief will be provided of £10,000.

Business Interruption Loan Scheme

The British Business Bank will launch a scheme from the week commencing 23 March 2020 to support businesses with a turnover of no more than £45 million per year. The government will provide lenders with a guarantee of 80% on each loan. This applies for loans of up to £5m in value and for up to 6 years. No interest will be charged for the first 12 months.

The scheme is now open for applications as from Monday 23 March. To apply, you should talk to your bank or one of the 40 accredited finance providers (not the British Business Bank) as soon as possible, to discuss your business plan. (<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/>)

Corporate Financing Facility

Under the new Covid-19 Corporate Financing Facility, the Bank of England will buy short term debt from larger companies. This will support your company if it has been affected by a short-term funding squeeze and allow you to finance your short-term liabilities. It will also support corporate finance markets overall and ease the supply of credit to all firms.

On Monday 23 March the Bank of England updated their site to set out the eligibility criteria: <https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility>

Companies House

If a company's accounts are unlikely to be filed on time owing to being affected by Coronavirus then an application can be made to extend the period allowed for filing. If an application is not made and there is a late filing then the normal penalty regime would apply, so it is important to make the application ahead of the deadline. If you feel this would be beneficial for you, please contact us.

Part 3: Support for Self-Employed

Self-employed Income Support Scheme

You can't get statutory sick pay if you're self-employed. But if you have to take time off work because you're sick or self-isolating – or if you've lost all your income due to coronavirus – you might be entitled to apply for Universal Credit. Plus, further help has been announced in the form of the new Self-Employed Income Support Scheme.

Under this scheme self-employed workers will be able to apply for taxable grants to combat loss of income due to the coronavirus pandemic. The grants are worth up to 80% of your profits. This is capped at £2,500 a month and is taxable. As it's a grant it means you don't have to pay it back.

Grants are decided on your profits over the last three years.

Payment will be made in June 2020 to cover the months of March, April and May.

Who is Eligible?

Your eligibility and the amount you receive will be determined by HMRC. If eligible, the HMRC will contact you. There is no need to contact HMRC about the Self-employment Income Support Scheme at the time.

- You must have filed a tax return for 2018/19. This means you must have been self-employed prior to 6 April 2019.
- You must earn more than half your total income from self-employment.
- Your average trading profit must be less than £50,000/year.
- Unlike the employee scheme, here you CAN keep working. You also do not need to prove coronavirus impact - all who qualify get it.

Part 4: Support for Individuals

Statutory Sick Pay

Individuals will be eligible for SSP for the first day of absence if the absence is Covid-19 related. The individual will need to visit <https://111.nhs.uk/> in order to obtain an isolation note in line with advice issued from Friday 20 March. They will still be entitled to the normal maximum of 28 weeks in any 3-year period with the same employer, however, there is no need to wait for 3 working days before they would be eligible where Covid-19 applies.

The self-employed will be eligible to make a claim for Universal Credit or new style Employment and Support Allowance. Self-employed people will receive a rate equivalent to SSP. If you need assistance with this, please contact us.

Mortgage and rent holiday

Tenants, as well as mortgage borrowers, can apply for a 3-month payment holiday. Interest will continue to be charged on any amount that they owe. The government has announced that their intention is that no one can be evicted from their home over the next 3 months where this applies.

We are working hard to keep our clients up to date with information that can help/affect them. Please help us by keeping us informed of any changes you have made with your business due to the effects of COVID-19.

As you know, we offer free advice as part of our service to you as our clients so if you need any advice regarding information set out in this email, please do not hesitate to contact us.

Universal Credit

In addition, the government has advised that if you need further financial assistance, you should apply to receive Universal Credit.

How much Universal Credit you get will depend on your earnings.

Your circumstances are assessed every month. Changes in your circumstances can affect how much you're paid for the whole assessment period - not just from the date you report them.

This means that if you earn any money during the month, the amount you receive from the government will decrease. As a general rule, the standard monthly allowance you will receive is outlined below:

Your circumstances	Monthly standard allowance
Single and under 25	£342.72
Single and 25 or over	£409.89
In a couple and you're both under 25	£488.59 (for you both)
In a couple and either of you are 25 or over	£594.04 (for you both)

You may also be entitled to additional support if you have children, or you are disabled.

How much you'll get	Extra monthly amount
For your first child	£281.25 (born before 6 April 2017) £235.83 (born on or after 6 April 2017)
For your second child and any other eligible children	£235.83 per child
If you have a disabled or severely disabled child	£128.25 or £400.29
If you need help with childcare costs	up to 85% of your costs (up to £646.35 for one child and £1,108.04 for 2 or more children)

Other factors may affect the amount you receive and further information can be found at <https://www.gov.uk/universal-credit/what-youll-get>