

Coronavirus (COVID-19) and

# Support for Businesses

Summary of Government Measures in Place in the UK



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## Disclaimer

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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

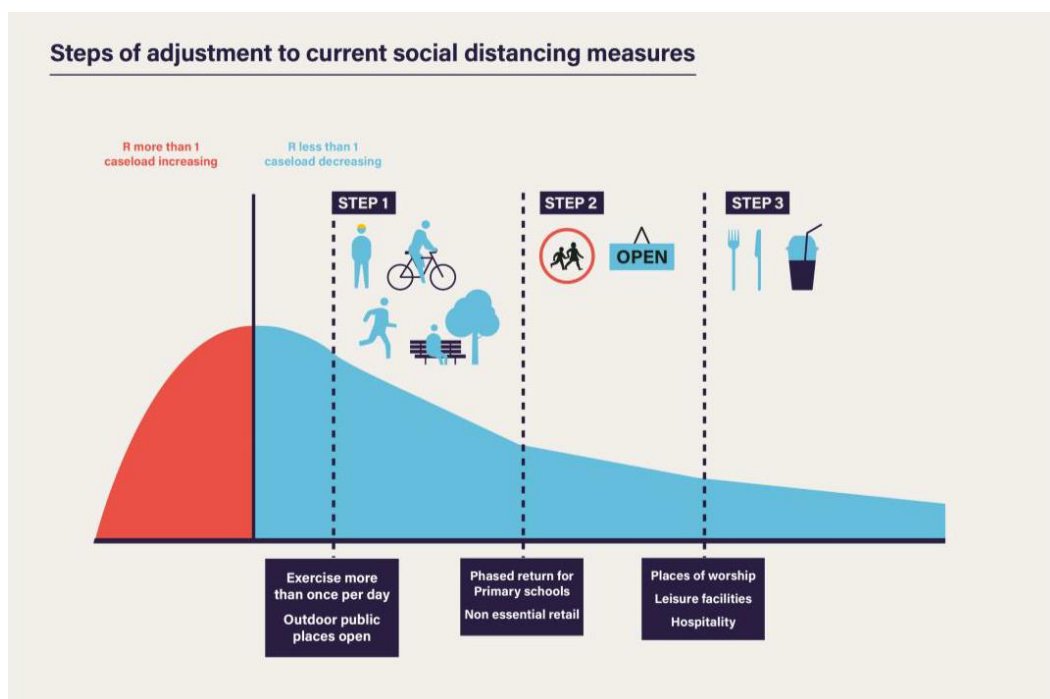
<https://www.gov.uk/coronavirus>

## Introduction

As of 15th June, the UK is now in step 2 of the process to lift restriction measures. These means that many non-essential businesses are now allowed to re-open. Leisure and hospitality businesses, such as hotels and restaurants will re-open as part of step 3.

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: Initial Support for Businesses

### 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 2<sup>nd</sup> 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.

The repayment will cover up to 2 weeks SSP starting from the first qualifying day of sickness, if an employee is unable to work because they:

- Have coronavirus symptoms
- Are self-isolating because someone they live with has symptoms
- Are self-isolating because they've been notified by the NHS or public health bodies that They've come into contact with someone with coronavirus
- Are shielding and have a letter from the NHS or a GP telling them to stay at home for at least 12 weeks

From 8 June 2020, the majority of people entering or returning to the UK will be required to quarantine for 14 days. If an employee is unable to work during this period, they will not qualify for SSP unless they also meet one of the above criteria.



You can make more than one claim per employee, but you cannot claim for more than 2 weeks in total.

You must keep records of SSP that that you have paid and claimed back for 3 years. If we process your payroll, we can advise you on what information you need to keep.

## 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.

## 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: Updated Support for Businesses

### Extended Coronavirus Job Retention Scheme

The provision for businesses to furlough employees is being gradually phased out as lockdown restrictions are eased over the next few months. Employers can now bring staff back to work gradually whilst furloughing staff on a flexible basis.

From 1 July, employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim CJRS grant for the hours not worked.

The timetable for changes to the scheme is set out below:

- There are no changes to grant levels in June.
- For June and July, the government will pay 80% of wages up to a cap of £2,500 for the hours the employee is on furlough, as well as employer National Insurance Contributions (ER NICs) and pension contributions for the hours the employee is on furlough. Employers will have to pay employees for the hours they work.
- For August, the government will pay 80% of wages up to a cap of £2,500 for the hours an employee is on furlough and employers will pay ER NICs and pension contributions for the hours the employee is on furlough.
- For September, the government will pay 70% of wages up to a cap of £2,187.50 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed.
- For October, the government will pay 60% of wages up to a cap of £1,875 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed.

The Coronavirus Job Retention Scheme will close on 31 October 2020.

### Business Loans

Businesses that require further financial support to deal with the affects of coronavirus may be eligible to apply for a loan. The British Business Bank is now making business loans available as part of the government's plan to support businesses.



Details of available schemes are summarised below and further information can be found at <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/>

### **Future Fund**

- Convertible loans from £250,000
- From £125,000 to £5m in government support
- Third-party investors must at least match government support, with no maximum investment limit
- Companies need to have previously raised £250,000+ in equity investment

### **Bounce Back Loan Scheme (BBLs)**

- For small to medium businesses, micro businesses and other businesses requiring smaller loans
- Looking for between £2,000 and £50,000
- Term loan repaid over six years
- No set-up fees and first 12 months of interest payments covered by government
- No repayments during the first 12 months

### **Coronavirus Business Interruption Loan Scheme (CBILS)**

- For smaller businesses with a turnover of less than £45m
- Looking for up to £5m in finance
- Business loans, overdrafts, invoice finance & asset finance available
- First 12 months of interest and lender-levied fees covered
- More than 50 accredited lenders

### **Coronavirus Large Business Interruption Loan Scheme (CLBILS)**

- For larger businesses with a group turnover of more than £45m
- Looking for up to £200m in finance
- Business loans, overdrafts, invoice finance & asset finance available
- Repayment terms of up to three years
- Delivered by lenders accredited by the British Business Bank

## Part 4: 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.

If you're eligible and your business has been adversely affected you must make your claim for the first grant on or **before 13 July 2020**.

### Who is Eligible?

Your eligibility and the amount you receive will be determined by HMRC. To be eligible:

- 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.

### Extension of Self-Employed Income Support Scheme

The government's income support scheme has already issued an initial grant to sole traders and partnerships that have been adversely affected by coronavirus. The government is now extending this scheme, in an amended form, to supply a second and final grant. You'll be able to claim a second and final grant in August 2020.

Your eligibility for the second grant will be determined in the same way as the first grant. If you make a claim for the second grant you will have to confirm your business has been adversely affected on or after 14 July 2020. This grant will be a taxable grant worth 70% of your average monthly trading profits, paid out in a single instalment covering a further 3 months' worth of profits, and capped at £6,570 in total. You can claim for the second and final grant even if you did not make a claim for the first grant.

You can claim if you're a self-employed individual or a member of a partnership and all of the following apply:

- You traded in the tax year 2018 to 2019 and submitted your Self Assessment tax return on or before 23 April 2020 for that year
- You traded in the tax year 2019 to 2020
- You intend to continue to trade in the tax year 2020 to 2021
- You carry on a trade which has been adversely affected by coronavirus

The online portal for claiming the second grant is not open yet but you can sign up to receive updates from HMRC. Please note: You must make a claim for yourself; your accountant cannot make a claim for you.

## Part 5: 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:

<b>Your circumstances</b>	<b>Monthly standard allowance</b>
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>