

CORONAVIRUS GOVERNMENT HELP



Disclaimer

- *The content of this webinar is correct as at the current date and may be subject to change.*
- *It is purely for information purposes and should not be relied upon to make any decisions relating to the viewers situation.*
- *The viewer should ascertain the correctness of the information or seek professional assistance before taking any action*

Overview

This webinar will give an overview of the current government help available for :

- Employers
- Employees
- Self-employed
- Businesses

Which category do you fit into?

- Employer
- Employee
- Self-employed
- Business

EMPLOYERS

CORONAVIRUS JOB RETENTION SCHEME

- Objective – to help retain staff during lockdown
- Furloughing of staff
- Eligibility – all employers
- Staff must have been on the payroll as at 19th March 2020

CORONAVIRUS JOB RETENTION SCHEME

Government will pay a **grant** which is the lower of

- 80% of ‘an employee's regular wage’ or
- £2,500 per month; PLUS
- The associated employers’ national insurance contributions (NIC) on this amount;
- the minimum automatic enrolment employer pension contributions on that wage

CORONAVIRUS JOB RETENTION SCHEME

- **Furlough period** - minimum of 3 weeks and up to 3 months (and can be extended if necessary)
- It can be backdated to 1st March 2020
- You can take furloughed staff off furlough and then put them back on, so long as they are furloughed for a minimum of 3 weeks each time

CORONAVIRUS JOB RETENTION SCHEME

- The employer can decide if they will pay just 80% (up to £2500) or the full normal wage for their furloughed employees;
- subject to
 - Agreement by the employee and
 - Contract of employment

CORONAVIRUS JOB RETENTION SCHEME

Process

- Identify the staff you wish to furlough
- Discuss and agree your intentions
- Issue them with a furlough letter (template available on ACAS website; retain signed agreement for 5 years)
- Ensure that they do not do any work during the furlough period

CORONAVIRUS JOB RETENTION SCHEME

What if your employee does not agree to the furlough terms?

You would need to change the terms of their contract. You must seek legal advice if this situation arises.

CORONAVIRUS JOB RETENTION SCHEME

- Keep records of your furloughed employees
- Process the payroll in the normal way
- Submit your payroll data as normal through the RTI
- Calculate the amount you are eligible to claim
- The grant needs to be claimed through a new online portal which is planned to go live from tomorrow – 20th April 2020.

CORONAVIRUS JOB RETENTION SCHEME

What happens if I don't have the cashflow to pay my staff?

- Coronavirus Business Interruption Loan Scheme to support cash flow; OR
- Agree with the affected staff that you will pay them when you receive the grant

CORONAVIRUS JOB RETENTION SCHEME

What if I had made my staff redundant before this scheme was announced?

- An employer can decide to re-employ someone who was made redundant or stopped working for them on or after 28 February 2020, then put them on furlough.

Coronavirus Statutory Sick Pay Rebate Scheme

- The government will repay SSP due to Coronavirus illness from Day1
- Starting from 13 March 2020
- Up to 14 days if an employee is unable to work because they either:
 - have coronavirus
 - cannot work because they are self-isolating at home

Coronavirus Statutory Sick Pay Rebate Scheme

- Employees do not need to provide a Fit note, but should provide a 'isolation note' online from NHS

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Coronavirus Statutory Sick Pay Rebate Scheme

How to claim

The online service to reclaim SSP is not available yet

- HMRC will announce when the service is available and this guidance will be updated

SELF-EMPLOYED

Self employed income support scheme

- This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 a month. It will be available for 3 months, but may be extended
- It will be available for 3 months, from March 2020 to May 2020, but may be extended.

Self employed income support scheme - eligibility

- open to self-employed individuals with a trading profit of less than £50,000 in 2018-19 **or**
- an average trading profit of less than £50,000 from 2016-17, 2017-18 and 2018-19
- **more than half** of an individual's income in these periods must come from self-employment.

Self employed income support scheme - eligibility

- tax returns submitted for the tax year 2018/19 by 23rd April 2020
- traded in the tax year 2019 to 2020
- are trading when you apply, or would be except for coronavirus
- intend to continue to trade in the tax year 2020 to 2021

Self employed income support scheme - eligibility

- have lost trading profits due to coronavirus
- Those who started self-employment after 5 April 2019 are excluded

How to claim

- You cannot claim yet
- If you are eligible
 - HMRC will use existing information to check potential eligibility
 - HMRC aims to contact you by mid-May 2020
 - HMRC will give instructions on how to apply through an online portal online
- grants will be paid in a single lump sum instalment, which will start to be paid at the beginning of June.

Deferral of self assessment payments

- the self-assessment payment on account, that is ordinarily due to be paid to HMRC by 31 July 2020, may now be deferred until January 2021
- The deferral is automatic and no penalties or interest for late payment will be charged in the deferral period

(Cashflow implications when you get to January 2021)

ALL BUSINESSES

VAT deferral

- VAT payments due from 20th March to 30 June 2020 can be deferred until 31 March 2021
- Remember to cancel your Direct Debit
- VAT returns should be filed at their normal due dates

Time to Pay

- Businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time to Pay Service

HELP FOR ALL BUSINESSES

- You can call HMRC's helpline for help and advice: 0800 024 1222.
- For those who are unable to pay due to coronavirus, HMRC will discuss your specific circumstances to explore:
 - agreeing an instalment arrangement
 - suspending debt collection proceedings
 - cancelling penalties and interest where you have administrative difficulties contacting or paying HMRC immediately

- You are advised to ask your accountant to negotiate with the HMRC on your behalf.

FAMILY OWNED BUSINESSES

Director's Remuneration

- Majority of Remuneration by dividends – **not covered**
- Minimum salary under NIC threshold (£8628 p.a. to 5th April 2020)
- **Issue – you will receive only the minimum amount if furloughed**
- **Cannot do any work that is revenue generating**

Small Businesses

Business Rates Holiday

For Retail, Hospitality and Leisure sectors in England for the 2020-21 tax year

- 100% relief from Business Rates
- Will be administered by Local Authority
- Businesses will receive a bill showing no business rates charge for the 2020-2021 tax year.

- Eligibility

Your property is a

- Shop
- Restaurant, café, bar or pub
- Cinema or live music venue
- Assembly or leisure property
- Hospitality property
- Children's nursery

Cash grants for retail, hospitality and leisure sectors

- If the rateable value of the property is less than £15,000, then the business is eligible for a cash grant of £10,000
- If the rateable value of property is between £15,000 and £51,000, then the business will be eligible for a cash grant of £25,000
- Grants will be paid automatically by local authorities. Businesses will not need to apply for them (except in Scotland).

LOANS

Coronavirus Business Interruption Loan Scheme

- Will help businesses affected to access bank lending and overdrafts if they need to. (For loans up to £5 million, the Government is providing a guarantee for each loan)
- Government will guarantee up to 80%
- Interest and fees paid by government for 12 months: The government will 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

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ANY QUESTIONS??

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Some useful links

<https://www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme>

<https://www.gov.uk/business-coronavirus-support-finder>

<https://www.gov.uk/coronavirus/business-support>

<https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/further-businesses-and-premises-to-close-guidance>

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-coronavirus-covid-19>

<https://www.acas.org.uk/furlough-letter-template>

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KEEP SAFE
KEEP WELL