



Guidance on the Governments Temporary Business Support Packages (Updated 08 April 2020)

Guidance is being updated regularly and you should visit <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

There is a business support website for answers to frequently asked questions: <https://www.businesssupport.gov.uk/faqs/>

Coronavirus Job Retention Scheme

There is little guidance at the moment on the detail of the scheme but what we know currently is as follows:

- The Government will pay up to 80% of an employee's salary (based on February earnings) up to a cap of £2,500 a month (including pension and NIC).
- The Scheme is available for all UK employers.
- It is for employees who are placed on 'furlough' leave instead of being dismissed as redundant or put on unpaid lay-off. The principle being that the worker is kept on the payroll.
- It only applies to those who are designated 'furloughed' and it cannot be claimed for those employees who continue to work.
- The scheme will be backdated to 1 March 2020 and will run for 3 months from that date (subject to an extension).
- Information about the employees that have been furloughed and their earnings will have to be submitted to HMRC through a new on-line portal which is currently being set-up by HMRC. We hope that there will be a link to the employer's current payroll system.
- The employer will have to keep in mind employment legislation as furlough leave will technically mean a change in status for the employee and as such remains subject to existing employment law and the employment contract. It is assumed that consent (in writing) would have to be reached with the employee to avoid claims for breach of employment contract in the future. If the employee refuses, then the employer would have to follow current laws for redundancy.
- The employer can top-up the balance of the 20% and it is recommended that the amount of pay, being 80% or the additional top-up is set out in the written agreement with the employee, along with other matters such as sick pay while on leave.
- It is recommended that employment advice is sought when preparing the furlough agreement letter.

See HMRC's website: <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>



Deferring VAT

- The deferral will apply from 20 March 2020 until 30 June 2020.
- All UK businesses are eligible.
- A VAT return for the quarter falling in the period to 30 June must still be submitted.
- This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.
- Customers who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay in sufficient time, so that HMRC do not attempt to automatically collect on receipt of your VAT return.

Income Tax

- For Income Tax Self-Assessment, payments due on the 31 July 2020 may be deferred until 31 January 2021.
- You are eligible if you are due to pay your second self-assessment payment on account on 31 July and you do not need to be self-employed to be eligible for the deferment.
- The deferment is optional. If you are still able to pay your second payment on account on 31 July you should do so.
- This is an automatic offer with no applications required. No penalties or interest for late payment will be charged if you defer payment until January 2021.
- HMRC have also scaled up their time to pay offer to all firms and individuals who are in temporary financial distress as a result of COVID-19 and have outstanding tax liabilities.

Business rates holiday for retail, hospitality and leisure businesses

- A business rates holiday will be introduced for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.
- You are eligible for the business rates holiday if:
 - your business is based in England
 - your business is in the retail, hospitality and/or leisure sector
- Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
 - as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
 - for assembly and leisure
 - as hotels, guest & boarding premises and self-catering accommodation
- There is no action for you. This will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible.



Cash grants for retail, hospitality and leisure businesses

- The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property.
- Businesses in these sectors with a property that has a rateable value of up to £15,000 will receive a grant of £10,000.
- Businesses in these sectors with a property that has a rateable value of between £15,000 and less than £51,000 will receive a grant of £25,000.
- You are eligible for the grant if:
 - *your business is based in England
 - *your business is in the retail, hospitality and/or leisure sector
 - *your business has a rateable value of under £51,000
- Businesses which don't pay business rates are not included in this scheme.
- Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
 - *as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
 - *for assembly and leisure
 - *as hotels, guest and boarding premises and self-catering accommodation
- Your local authority will write to you if you are eligible for this grant.

Support for businesses that pay little or no business rates

- The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBRR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.
- You are eligible if:
 - *your business is based in England
 - *you are a small business and already receive SBRR and/or RRR
 - *you are a business that occupies property
- You do not need to do anything. Your local authority will write to you if you are eligible for this grant.

Support for nursery businesses that pay business rates (England)

The Government is introducing a business rates holiday for nurseries in England for the 2020 to 2021 tax year. Nurseries are eligible for the business rates holiday if:

- The business is based in England

Properties that will benefit from the relief will be:

- occupied by providers on Ofsted's Early Years Register
- wholly or mainly used for the provision of the Early Years Foundation Stage

How to access the scheme:

There is no immediate action required. However, local authorities may have to reissue the bill to provide this support. They will do this as soon as possible.



Support for businesses through the Coronavirus Business Interruption Loan Scheme

- The temporary Coronavirus Business Interruption Loan Scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.
- 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.
- The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.
- There are 40 accredited lenders able to offer the scheme, including all the major banks.
- You are eligible for the scheme if:
 - *your business is UK based, with turnover of no more than £45 million per year
 - *your business meets the other [British Business Bank eligibility criteria](#)

Support for businesses paying tax: Time to Pay service (Income Tax, Corporation Tax, NIC, VAT)

- All 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.
- These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.
- You are eligible if your business:
 - *pays tax to the UK government
 - *has outstanding tax liabilities
- If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 0159 559.
- If you're worried about a future payment, HMRC say you should call nearer the time.

Companies to receive a 3-month filing extension during COVID19

- From 25 March 2020, businesses will be able to apply for a 3-month extension for filing their accounts.
- This joint initiative between the government and Companies House will mean businesses can prioritise managing the impact of Coronavirus.
- As part of the agreed measures, while companies will still have to apply for the 3-month extension to be granted, those citing issues around COVID-19 will be automatically and immediately granted an extension. Applications can be made through a fast-tracked online system which will take just 15 minutes to complete.
- Please see: <https://www.gov.uk/guidance/apply-for-more-time-to-file-your-companys-accounts>



Support for businesses who are paying sick pay to employees

The Government is legislating to allow small and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:

- this refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
- employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from [NHS 111 online](#) and those who live with someone that has symptoms can get a note from the [NHS website](#)
- eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.
- You are eligible for the scheme if:
 - *your business is UK based
 - *your business is a small or medium-sized and employs fewer than 250 employees as of 28 February 2020
- A rebate scheme is being developed. Further details will be provided in due course once the legalisation has passed.

Self-employment 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 per month for the next 3 months. This may be extended if needed.

- You can apply if you're a self-employed individual or a member of a partnership and you:
 - *have submitted your Income Tax Self Assessment tax return for the tax year 2018-19
 - *traded in the tax year 2019-20
 - *are trading when you apply, or would be except for COVID-19
 - *intend to continue to trade in the tax year 2020-21
 - *have lost trading/partnership trading profits due to COVID-19



- Your self-employed trading profits must also be less than £50,000 and more than half of your income come from self-employment. This is determined by at least one of the following conditions being true:
 - * having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of your total taxable income
 - * having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of your average taxable income in the same period
- If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return.
- **IMPORTANT:** If you have not submitted your Income Tax Self-Assessment tax return for the tax year 2018-19, you must do this by 23 April 2020.
- HMRC will use data on 2018-19 returns already submitted to identify those eligible and will risk assess any late returns filed before the 23 April 2020 deadline in the usual way.
- You'll get a taxable grant which will be 80% of the average profits from the tax years (where applicable):
 - ⇒ 2016 to 2017
 - ⇒ 2017 to 2018
 - ⇒ 2018 to 2019
- To work out the average HMRC will add together the total trading profit for the 3 tax years (where applicable) then divide by 3 (where applicable) and use this to calculate a monthly amount.
- It will be up to a maximum of £2,500 per month for 3 months.
- We'll pay the grant directly into your bank account, in one instalment.
- You cannot apply for this scheme yet. HMRC will contact you if you are eligible for the scheme and invite you to apply online. Individuals do not need to contact HMRC now and doing so will only delay the urgent work being undertaken to introduce the scheme.
- You will access this scheme only through [GOV.UK](https://www.gov.uk). If someone texts, calls or emails claiming to be from HMRC, saying that you can claim financial help or are owed a tax refund, and asks you to click on a link or to give information such as your name, credit card or bank details, it is a scam.
- Once HMRC has received your claim and you are eligible for the grant, we will contact you to tell you how much you will get and the payment details.
- If you claim tax credits you'll need to include the grant in your claim as income.

The government is also providing the following additional help for the self-employed:

- * Deferral of Self-Assessment income tax payments due in July 2020 and VAT payments due from 20 March 2020 until 30 June 2020
- * Grants for businesses that pay little or no business rates
- * Increase in amounts of Universal Credit
- * The Business Interruption Loan Scheme