

Government Coronavirus financial support measures

20TH MARCH 2020



ZINCBOOKS

Contents

- ▶ Support for employers
- ▶ Deferral of VAT and income tax payments
- ▶ Support for paying sick pay
- ▶ Business rates holiday for retail, hospitality and leisure businesses
- ▶ Cash grants for retail, hospitality and leisure businesses
- ▶ Support for businesses that pay little or no business rates
- ▶ Coronavirus Business Interruption Loan Scheme
- ▶ HMRC time to pay service
- ▶ Self employed – Universal Credit

A turbulent week

- ▶ In these extremely concerning and unprecedented times, the Government has issued a lot of measures this week designed to provide financial support
- ▶ This guide will provide a summary of the measures that have been announced
- ▶ This is still a live and evolving area and there is every chance that the Government will make further announcements as the situation continues to develop

Support for Employers

Coronavirus Job Retention Scheme

This will be open to any employer, large or small, charitable or not for profit.

Employers will be able to get a grant to cover 80% of the wages (up to a value of £2,500 per month) for those workers that are not working but have been kept on the payroll rather than laying them off.

The scheme will be backdated to 1st March 2020 and will initially run for 3 months but will be extended if necessary.

A new portal is being set up by HMRC to notify them about the impacted workers and their earnings.

Current HMRC systems are not set up to manage these grant payments and they are working urgently to get it up and running.

Deferral of VAT and Income Tax payments

VAT

All VAT payments for the next quarter will be deferred for 3 months from 20/3/2020 to 30/6/2020

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 2020/21 tax year (April 2021) to pay any VAT liabilities generated in the next three months

Income Tax self assessment deferral

For anyone with an income tax self assessment payment on account to make on 31st July 2020, this has been deferred to 31st January 2021

This too is an automatic offer with no applications required

Support for paying sick pay

Small and medium businesses will be able to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19

The refund will cover up to 2 weeks SSP for each employee who has been off sick due to COVID-19

Employers with fewer than 250 employees will be eligible

Employers will be able to reclaim expenditure for any employee who has claimed SSP as a result of COVID-19

Business rates holiday for retail, hospitality and leisure businesses

A business rates holiday for retail, hospitality and leisure businesses in England for the 2020/21 tax year

Properties that will benefit from the relief are sites 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

There is no action required to access this scheme

This relief will be applied to the next council tax bill in April 2020

Cash grants for retail, hospitality and leisure businesses

For businesses in the retail, hospitality and leisure sectors:

- with a rateable value of under £15,000 will receive a £10,000 grant
- with a rateable value between £15,001 and £50,000 will receive a grant of £25,000

Businesses are eligible for this grant if:

- the business is based in England
- the business is in the retail, hospitality and/or leisure sector

Properties that will benefit from the relief are sites 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

There is no need to do anything to access this grant. The local authority will write to those businesses that are eligible

Support for businesses that pay little or no businesses rates

A £10,000 grant will be available to support businesses that pay little or no business rates due to Small Business Rate Relief.

Businesses will be eligible for this grant if:

- the business is based in England
- the business already receives small business rate relief and/or rural rate relief
- the business occupies a property

No action will be required to access this scheme. The local authority will write to those businesses that are eligible for this grant.

Any enquiries on eligibility for this grant should be directed to the relevant local authority

Coronavirus Business Interruption Loan Scheme

Launching on Monday 23rd March, small and medium sized businesses will be able to access bank lending and overdrafts via the Business Loan Interruption Scheme

The scheme will support loans of up to £5million

Businesses can access the first 12 months of finance interest free as the Government will pay the first 12 months of interest payments.

Eligibility

The business must be based in the UK, with turnover less than £45million

The business meets the British Business Bank eligibility criteria

Eligibility criteria can be found on the British Business Bank website – (www.British-business-bank.co.uk)

HMRC time to pay service

Any business or self employed person in financial distress, and with outstanding tax liabilities, may be eligible to receive support with getting an extension on paying their tax liabilities

These arrangements are agreed on a case by case basis and are tailored to individual circumstances

If you have missed a tax payment or you might miss your next payment due to COVID-19, the number to call is **0800 0159 559**

If you are worried about a future payment, give them a call nearer the time

Self employed – Universal Credit

Universal credit will be increased by £1,000 per year

The standard allowance for a single person will be £323.22 and £507.37 for couples for the next twelve months

These changes mean that a self-employed person with no income will be able to claim Universal Credit at a similar rate to someone who is unemployed.

Eligibility for Universal Credit can be checked at <https://www.gov.uk/universal-credit/eligibility>