



CHARTERED
CERTIFIED
ACCOUNTANTS

Dear All,

Please read this letter carefully, the government has announced a raft of measures aimed at both businesses and individuals in order to support them during the Coronavirus crisis. Here is an at a glance summary of the main proposals.

We will try our best to keep you all updated and informed on the changes that are occurring.

If you have any questions please don't hesitate to contact us

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.
Furlough is the equivalent of lay off. So you can lay off staff, continue to pay them and recover 80% of that cost up to £30k per annum.
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.
- **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.
- **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.

- **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. Smaller businesses within the Small Business Rate Relief or Rural Rate Relief will of £10,000.
- **Business Interruption Loan Scheme – (Updated 23/03/2020 @ 12.32pm)**
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. The major high street banks are on this list of 40 providers. Gov.uk states that more information can be found on their websites.
- **Corporate Financing Facility**
The Bank of England will shortly announce plans to buy short term debt from larger companies that are ‘fundamentally strong’. We are currently waiting for a definition of ‘fundamentally strong’.
- **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. Here is a web address <https://www.gov.uk/government/news/coronavirus-if-your-company-cannot-file-accounts-with-companies-house-on-time>. 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.

Support for individuals

- 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. If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return. 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. 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.

The government is also providing additional help for the self-employed by the deferral of Self Assessment income tax payments due in July 2020 until 31st January 2021.

- 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.

- **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 the intention is that no one can be evicted from their home over the next 3 months where this applies.

Thank you,

A handwritten signature in black ink that reads "Marneros Marcus". The signature is written in a cursive, flowing style with long, thin vertical strokes extending downwards from the letters 'M' and 'C'.

Marneros Marcus & Co

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