

Guidance is changing regularly. The latest version of this document can be found at [thenumberninja.co.uk/covid-19](https://thenumberninja.co.uk/covid-19)

The full guidance on the Government's various financial support measures can be found at <https://www.gov.uk/coronavirus/business-support>.

## Self Employed Income Scheme

- Applications for the grant covering March, April and May opened in mid-May and payments have now started to be received.
- It's estimated that around 1 million of those eligible have not yet claimed.
- In order to receive the first grant you must have submitted your claim by 13th July.
- The first grant (covering March, April and May) covers 80% of average monthly earnings for those 3 months. It's capped at £2,500 per month (so £7,500 in total).
- You don't need to repay the grant, but you will need to declare it as income for tax and National Insurance purposes on your 2020/21 tax return.
- Based on trading profits from your self assessment tax returns. Trading profits are income minus expenses (including any capital allowances).
- Based on the average of the 2018/19, 2017/18 and 2016/17 tax returns. If you weren't self employed in each of those 3 years they will look only at the years in which you were self employed.
- Your 2019/20 tax return will not affect the grant in any way.
- To be eligible you must have:
  - Submitted a 2018/19 tax return.
  - Received the majority of your income from self employment over the 3 years (or relevant period if less than 3 years).
  - Average yearly income over the 3 years of less than £50,000.
  - Continued to be self employed in 2019/20 and 2020/21
- If you became self employed after 6th April 2019 you are not eligible, and should instead apply for Universal Credit (<https://www.gov.uk/universal-credit>).
- You need to have been adversely affected by the pandemic, but you do not need to have lost all of your work. You can receive the grant whilst continuing to work.
- The scheme has recently been extended, with a second and final grant to be paid in August (covering June, July and August). This will cover 70% of average monthly earnings and be capped at £6,570). The date applications open has not yet been announced.

## Statutory Sick Pay (SSP)

### Directors, or those with employees

- For sickness absence due to COVID-19 SSP will be payable from day 1, rather than day 4.
- The first 2 weeks of SSP will be refunded to employer's by the Government and can be claimed via your PAYE Online account.
- This applies to directors, as well as any employees you have. So if you become ill as a result of COVID-19, or are unable to work because you are required to self-isolate or shield, the company can pay you 2 weeks of SSP and reclaim this from the Government. Keep records of any absences.
- SSP is currently £94.25 per week.
- Isolation notes are now available from NHS 111 Online (<https://111.nhs.uk/covid-19>).
- The end date of the scheme has not yet been announced.

## Coronavirus Job Retention Scheme

- Grant that will cover up to 80% of wage costs (up to £2,500 per employee) for a period of 3 months, up to the end of June.
- Will also cover employer's National Insurance contributions and employer's pension contributions (only the statutory minimum contribution under automatic enrolment).
- To qualify staff must have been on the payroll as at 19th March.
- Whilst on furlough, employees cannot undertake any work for the business. This includes responding to emails.
- Directors can use this scheme for themselves, but only on the payroll aspect of their income (the scheme doesn't cover dividends).
- A director putting themselves on furlough cannot then carry out any work for the company, including marketing. The only work they are permitted to do is that related to their statutory duties, such as signing off accounts or submitting VAT returns.
- The scheme will close to new entrants on 30th June and employees must have been furloughed for a minimum of 3 weeks prior to that date. In practice this means that the last date employees can be furloughed is 10th June.
- From 1st July the scheme will be gradually scaled back. The first major change is that it will be possible to have a partial furlough, to enable staggered returns. So for example a full-time member of staff could return to work 2 days a week and be furloughed for the remaining 3.
- Further information on how flexible furlough will be calculated is expected to be published on 12th June.
- From August the amount that the Government will contribute starts to change:
  - August: only wage costs will be covered, the business must meet the costs of NI contributions and pension
  - September: Government support is reduced to 70% of wages, the business must cover the remaining 10% of wages as well as NI and pension
  - October: further reduction in Government support to 60% of wages, with businesses covering 20% plus NI and pension

## Coronavirus Business Interruption Loan Scheme

- Intended to help small and medium businesses to access bank lending and overdrafts.
- Government will provide lenders with a guarantee of 80% on each loan.
- Loans will be interest free for the first 12 months.
- Some banks have applied additional criteria to applications, and you may instead be directed to apply for the Bounce Back Loan Scheme.
- The scheme is being operated by accredited financial providers and a list of can be found at <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/>

## Bounce Back Loan Scheme

- Small and medium sized businesses can access loans of between £2,000 and £50,000.
- Capped at 25% of turnover
- Government will provide lenders with a guarantee of 100% on each loan.
- Loans will be interest free for the first 12 months, after which the interest is fixed at 2.5%.
- No repayments for the first 12 months.
- Loan term is 6 years, but can be repaid early without paying a fee.
- Open to sole traders and limited companies.
- There are 11 lenders offering these loans and they can be found at <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/bounce-back-loans/for-businesses-and-advisors/>

## **Business Rates**

- Those in receipt of small business rate relief or rural rate relief are eligible for a one-off grant of £10,000. Those eligible will be contacted by the relevant local authority.
- £25,000 grant available to retail, hospitality and leisure businesses who operate from small premises (rateable value between £15k-£50k).
- Some local authorities are offering grants from the Local Authority Discretionary Grants Fund. Criteria varies and you should contact your local council for details.

## **HMRC's Time to Pay Helpline**

- If you will have difficulty in paying any tax liabilities that you have, HMRC have launched a new helpline to talk you through your options, including creating payment plans where necessary.
- Call 0880 0159 559. Call volumes are high, but please do persevere.

## **Income Tax**

- Payments on account for the tax year 2020/21, due 31st July 2020, can be deferred to January 2021.
- You do not need to apply to defer payment.

## **VAT**

- VAT due between 20th March and 30th June can be deferred.
- If you wish to defer your payment you should cancel your direct debit in plenty of time so that payment is not attempted. You do not need to apply to defer your payment or inform HMRC.
- VAT returns should be submitted as normal.
- Payments must be received by HMRC by 31st March 2021.
- No announcement regarding whether the deferral scheme will be extended has been made.