

Covid-19 Support during the second lockdown

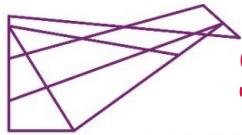
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Business Task Force

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Self-employment Income Support Scheme SEISS



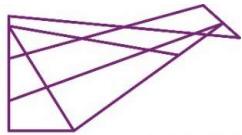
What is it?

The Self-employment Income Support Scheme (SEISS) provides grants to self-employed individuals or partnerships. There have been two grants so far with a third grant to come that will be paid in two parts.

The first part of the third SEISS grant will cover a three-month period from 1 November 2020 until 31 January 2021. It will be a taxable grant covering 80% of average monthly trading profits in November, December and January. The grant will be paid in a single instalment covering three months' worth of profits, and capped at £7,500 in total.

The second grant will cover a three-month period from 1 February 2021 until 30 April 2021. The amount of the grant has now yet been confirmed by the government.

The third SEISS grant will open for applications on 30 November 2020.



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Self-employment Income Support Scheme

SEISS

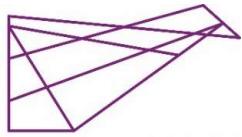


Who is eligible?

The government says to qualify for the third grant, eligible individuals need to have been eligible for the previous two grants. The criteria for those was as follows:

- Be self-employed or a member of a trading partnership
- Have lost trading trading profits due to COVID-19
- File a tax return for 2018-19 as self-employed or a member of a trading partnership.
- Have traded in 2019-20; be currently trading at the point of application (or would be except for COVID 19) and intend to continue to trade in the 2020-2021 tax year
- Have trading profits of less than £50,000 and more than half of your total income comes from self-employment. This can be with reference to at least one of the following conditions:
- Your trading profits and total income in 2018/19
- Your average trading profits and total income across up to the three years between 2016-17, 2017-18, and 2018-19.

HMRC will use the average profits from tax returns in 2016-17, 2017-18 and 2018-19 to calculate the size of the grant.



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Coronavirus Job Retention Scheme (CJRS)



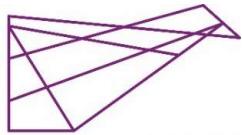
What is it?

The Coronavirus Job Retention Scheme launched in April 2020 to help employers deal with the impact of coronavirus by receiving a grant from the government to cover a proportion of wages of employees placed on furlough.

It was due to end on 31 October 2020 but following the announcement by prime minister Boris Johnson of a second lockdown in England, and further announcement by the Chancellor today, the scheme has been extended across the UK until 31 January 2021.

The government will pay 80% of wages up to a cap of £2,500 and employers will pay employer National Insurance Contributions (NICs) and pension contributions for the hours the employee does not work. Flexible furloughing will be allowed in addition to full-time furloughing.

The CJRS will reopen for claims week commencing 9 November. The exact date has not yet been confirmed.



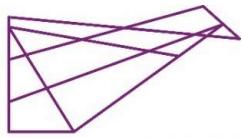
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Coronavirus Job Retention Scheme (CJRS)



As under the current CJRS rules:

- Employees can be on any type of contract. Employers will be able to agree any working arrangements with employees.
- Employers can claim the grant for the hours their employees are not working, calculated by reference to their usual hours worked in a claim period. Such calculations will broadly follow the same methodology as currently under the CJRS.
- When claiming the CJRS grant for furloughed hours, employers will need to report and claim for a minimum period of 7 consecutive calendar days.
- Employers will need to report hours worked and the usual hours an employee would be expected to work in a claim period.
- For worked hours, employees will be paid by their employer subject to their employment contract and employers will be responsible for paying the tax and NICs due on those amounts.
- Directors of limited companies can use the scheme to access a grant for themselves if they have a salary through PAYE. Dividends are not covered by the scheme. This includes sole directors of limited companies who are the sole employee. Directors must stop working for their business during the period of furlough. They can perform their statutory duties.



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Coronavirus Job Retention Scheme (CJRS)



How to furlough employees

Employers are required to submit information to HMRC about the employees that have been furloughed and their earnings through an online portal. Payments will be made within six working days after a claim has been submitted.

Employers will need to designate affected employees as 'furloughed workers' and notify employees of the change. Furloughing means employees remain on payroll but they are not able to work for the business or charity.

Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation with staff.



Coronavirus Business Interruption Loan Scheme (CBILS)



This temporary Coronavirus Business Interruption Loan Scheme (CBILS) gives businesses access to bank lending, overdrafts and other finance solutions to help them through the COVID-19 crisis.

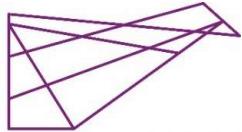
Business can access of funding between £1,000 and £5m and it is interest free for 12 months.

The government provides lenders with a guarantee of 80% on each loan to give them confidence in continuing to provide finance to SMEs.

Lenders cannot ask for personal guarantees for lending under £250,000 but the borrower always remains 100% liable for the debt.

Loans and other types of finance are available via the BBB's official partners.

The Coronavirus Business Interruption Loan Scheme is open until 31 January 2021.



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Bounce Back Loan Loan Scheme

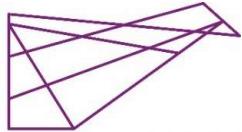


To help the smallest businesses access finance, the government launched the Bounce Back Loan Scheme.

Companies that were established on 1 March 2020 (including sole traders) can borrow up to 25% of turnover to a maximum of £50,000. Loans are interest free for 12 months and no repayments are due in the first year. They have a 100% government guarantee for the lender and interest after the interest free period is 2.5%.

Businesses self-certify via a two page application form and the government has said most businesses will receive the loan within 24 hours of approval.

The Bounce Back Loan Scheme is open until 31 January 2021.

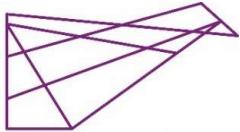


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Bounce Back Loan Loan Scheme



On 2 November the government announced that it is adjusting the Bounce Back Loan Scheme rules to allow those businesses who have borrowed less than their maximum (i.e. less than 25% of their turnover) to top-up their existing loan. Businesses will be able to take-up this option from the week commencing 9 November.



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Lockdown Grants

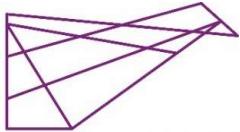


Businesses required to close in England due to local or national restrictions are eligible for the following through the Local Restrictions Support Grant (LRSG) scheme:

- For properties with a rateable value of £15,000 or under, grants of £1,334 per month (£667 per two weeks)
- For properties with a rateable value of between £15,000-£51,000, grants of £2,000 per month, (£1,000 per two weeks)
- For properties with a rateable value of £51,000 or over, grants of £3,000 per month (£1,500 per two weeks)

Businesses in hospitality, leisure and accommodation sectors that have been suffering from reduced demand for a while in tier 2 and 3 areas will receive backdated grants at 70% of the value of closed grants up to a maximum of £2,100 per four weeks.

The government is providing another £1.1bn for councils in England to support businesses at their discretion. The grants will be handled by local authorities – details to be announced.



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Lockdown Grants



Additional Restrictions Grant – waiting for guidance to confirm how these grants can be applied

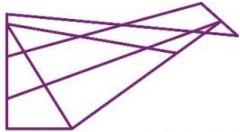
Discretionary grants can also be paid to businesses that are severely impacted rather than closed. Businesses should note that funding will be limited to the amount made available by the government.

Grants for businesses for the periods they were placed in a particular tier.

Grants for businesses that have been closed since March 2020

Once we have the guidance on the detailed requirements on businesses that can claim we will provide the information and how to apply as quickly as possible.

https://www.hounslow.gov.uk/info/20210/coronavirus/2219/local_lockdown_discretionary_business_support_grants?utm_campaign=&utm_content=&utm_medium=email&utm_source=govdelivery&utm_term=



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Time to Pay tax deferral scheme



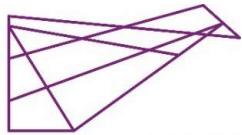
Businesses and self-employed people in financial distress and with outstanding tax liabilities may be eligible to receive further support through HMRC's Time To Pay service which allows payments to be deferred.

The service gives a 12 month extension to self-assessment taxpayers which means payments deferred from July 2020, and those due in January 2021, don't need to be paid until January 2022.

Businesses should contact HMRC's COVID-19 tax support helpline on 0800 0159 559.

Businesses that deferred VAT bills no longer have to pay a lump sum in full at the end March 2021 and will be able to make 11 smaller interest-free payments during the 2021-22 financial year.

Businesses will need to opt in, but all are eligible. HM Revenue & Customs will put in place an opt-in process in early 2021.



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Useful Support from HMRC



Website: <https://www.gov.uk/hmrc-online-services-helpdesk>

Email: helpdesk@notifications.hmrc.gov.uk

Telephone: 0800 0159 559

Or go onto their online chat service to discuss payments which can be found at <https://www.gov.uk/government/organisations/hm-revenue-customs/contact/online-services-helpdesk>