



## Government Guidance on Business Support Schemes for Corona Virus – 26<sup>th</sup> March 2020

Dear Client,

The government have made three separate announcements on how they will support businesses through the Corona Virus outbreak. In order to simplify what has been announced, we have listed below the support packages for three types of business: all businesses, sole traders, limited companies & employees.

Please note this is general advice. If you require specific guidance in relation to your business, please get in touch.

### Available to All Businesses

#### 1. **Bank Loans – Corona Virus Business Interruption Loan for Small Businesses**

- Available now
- Contact your bank to obtain the loan. Many banks now have an online application process
- It is interest free for 12 months
- You can borrow up to £25,000 (large companies can borrow up to £5m)
- Eligibility criteria applies. In general, your turnover must be less than £45m. Also, insurance, banks, primary & secondary education, and trade unions are excluded. However, your bank will provide specific details.
- **ACTION:** This can be used to finance your business until grant money becomes available. You could then use the grant money to repay the loan. Decide how much you need to borrow and then contact your banks to arrange the loan. If you would like our support to help complete the loan application, please get in touch.

#### 2. **VAT Deferral**

- VAT liabilities from 20/03/2020 to 30/06/2020 do not have to be paid until January 2021
- **ACTION:** This is an automatic offer, no application is required

#### 3. **Rates Grant**

- Businesses in the hospitality and leisure sector (e.g. restaurants, pubs etc) will be given a 12-month holiday for rates.
- **ACTION:** This will be applied automatically by local authorities.
- If your business is subject to rates and the rateable value is less than £12,000 you are eligible to claim a £10,000 grant
- If you are in the hospitality and leisure industry and have a rateable value between £15,000 and £51,000, you can claim a grant of up to £25,000
- **ACTION:** If you are eligible, your local authority will be in touch with you

## Available to Self-employed

### 1. Government Grant - Income support scheme

- Provides for the average of your profit for the last three years, up to £2,500 per month. If you do not have three years, they will consider it on the number of years you have submitted
- Open to people with trading profit of up to £50,000
- Self-employment income must be the majority of your income
- Only those with a tax return submitted for 2019 will be eligible
- Access to funds to be provided no later than beginning of June 2020
- **ACTION: HMRC will contact you directly and ask you to complete an application form**
- **ACTION: If you have not submitted your 2019 self-assessment, you have 4 weeks from today to submit it.**

### 2. Delayed Payment on Account

- If you were due to make a second payment on account by 31<sup>st</sup> July 2020, this no longer has to be made until 31<sup>st</sup> January 2021
- **ACTION: Delay your 2<sup>nd</sup> payment on account until 31<sup>st</sup> January 2021**

### 3. Universal Credit

- If you do not qualify for any other support, for example, you are new to self-employment, you can claim universal credit
- If you (and your partner, if applicable) have savings of less than £16,000 you can apply for universal credit support:
- Rates you can claim are:
  - i. Single <25 years old - £251.77 per month
  - ii. Single >25 years old - £317.82 per month
  - iii. In a couple both < 25years old - £395.20 per month (for you both)
  - iv. In a couple both > 25years old - £498.89 per month (for you both)
- If you have children, you can claim additional funding:
  - i. First child - £231.67 per month (born on or after 6/4/2017) or £277.08 per month (born before 6/4/2017)
  - ii. For second and other eligible children - £231.67 per month, per child.
- There is also support for childcare costs, up to 85%. This is limited to £646.35 per month for one child, or £1,108.04 per month for 2 or more children.
- **ACTION: Apply for universal credit using this link - <https://www.gov.uk/universal-credit/how-to-claim>**

## Available to Companies and Employees

### 1. **Government Grants – Job Retention Scheme**

- HMRC will provide grants for up to 80% of salary, up to £2,500 per month. Employers can top up if they wish
- Can be back dated to 1st March 2020
- Will cover three months of pay to start off with
- HMRC expect the system to be in place and first payments made by end of April 2020, if not sooner
- Details on how to apply will follow in the coming days
- **ADVICE:** Check employment contracts for a specific term relating to 'furlough leave'. If it is not in the contract you will need agreement (preferably written) from each employee to put them on 'furlough leave'. You will need this before being able to reduce payments to 80% of their normal wage.

### 2. **Statutory Sick Pay**

- Up to two weeks sick pay is applicable for employees
- Payable from the first day they went into self isolation
- Eligible if your business employed less than 250 people at 28/02/2020

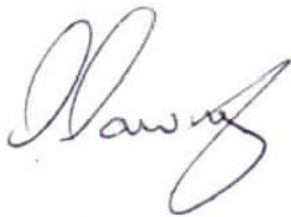
## Other Tips for All Business

These tips can be applied to business and personal circumstances:

- If you rent a premise, ask the landlord if they can help by providing a rental holiday or reduced rent for 3 months
- Ask your mortgage provider about obtaining a three-month payment holiday
- Contact your utility provider and ask about making reduced payments during the corona virus period
- Contact your local council and ask about reductions in your council tax

We will be here to help and support you throughout this difficult period.

Yours sincerely



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