

Coronavirus

Information as at 01-04

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Coronavirus | Agenda

- Pull together the latest information available regarding the reliefs on offer

Will cover:

- Business rates holiday
- Grants
- Loans
- Job Retention Scheme
- SSP
- Sole trader support scheme
- Universal credit
- VAT deferral
- Income tax deferral
- HMRC Time to Pay
- Residential property
- Commercial tenants
- Companies House Extension
- Other ideas

Coronavirus | 12 Month business rates holiday

- For Retail, hospitality and leisure sector
- What No business rates for 20/21 tax year
- Properties Shops, restaurants, cafes, pubs, cinemas and live music venues
For assembly and leisure
As hotels, guest & boarding premises and self-catering accommodation
- No action Applies to council tax bill in April 2020.
- Other Must be occupied and used

[Government guidance and full list of properties here](#), [Wales guidance](#), [Scotland guidance](#)

Coronavirus | 12 Month business rates holiday

- For Nurseries in England
- What No business rates for 20/21 tax year
- Properties Occupied by providers on Ofsted's Early Years Register wholly or mainly used for the provision of the Early Years Foundation Stage
- No action Applies to council tax bill in April 2020.
- Other Must be occupied and used

[Full government guidance here](#)

Coronavirus | Small Business Grant Fund

	England	Wales	Scotland
For	Businesses eligible for SBRR or rural rate relief. Rateable value under £15,000	Small Business Rates Relief with a rateable value of £12,000	Businesses eligible for SBRR or rural rate relief
What	£10,000 Grant	£10,000 Grant	£10,000 Grant
How	Automatic	Check with local authority	Apply to council

- 1 per hereditament
- Ratepayer receives
- [Official Guidance here](#) (England)

- Exclusions**
- Businesses which are not ratepayers in the business rates system
 - Properties occupied for personal use
 - Car parks and parking spaces
 - Businesses in liquidation

Coronavirus | Retail, Hospitality and Leisure Grant

	England	Wales	Scotland
For Rateable value	£15,000 and £51,000	£12,001 and £51,000	£18,001 and £50,999
What	£25,000	£25,000	£25,000
How	Automatic	Check with local authority	Apply to council by 31/03/2021

- 1 per hereditament
- Ratepayer receives
- Eligible for a discount under the business rates Expanded Retail Discount Scheme
- [Official Government Guidance here](#) (England)

Exclusions

- Properties occupied for personal use
- Car parks and parking spaces.
- Businesses in liquidation
- Businesses which are not ratepayers in the business rates system

Coronavirus | Business Interruption Loan Scheme

- For SMEs
- What
 - Gov. guarantee of 80%
 - Interest free for first 12 months (Gov will pay)
 - The borrower is 100% liable
 - Need a sound borrowing proposal
- How
 - Client must speak to their bank

Recently reported that the banks are asking borrowers to put their homes down as security

Coronavirus | Job Retention Scheme 1/2

Scheme outline

- Encourage to keep workers
- 80% wage costs reimbursed (cap of £2,500)
- E'ers NIC and pension also covered
- From 1st March
- 3 months
- All employees

Operation

- Designate Furloughed workers
- Employed at 28/02/20
- Minimum 3 week period
- Furloughed employee cannot work for Employer during period
- 2 jobs allowed
 - 1 Furlough 1 normal – permitted

Coronavirus | Job Retention Scheme 2/2

Calculating Grant

- 80% reimbursed (up to £2,500+NIC+pen)
- Regular pay
 - Based on salary at 28/02/20
- Variable pay, higher of
 - same month from previous year
 - average monthly earnings 2019-20
- Furlough pay to E'ee at least 80% (can top-up)

Payroll Operation

- E'ees kept on payroll - PAYE
- E'er applies for grant after
- New portal – still in development

Unknowns

- Directors
- Annual payroll schemes
- How variable pay, same month from previous year, will work in practice

Coronavirus | Self-employment Income Support Scheme

Scheme outline

- Self employed and partnerships
 - Lost trading profits due to COVID-19
 - Have filed tax return 18/19
 - Trading profits must be less than £50K
-
- Scheme starts first of March
 - 3 Month period
 - Paid in June
 - Can continue to trade
 - HMRC will contact automatically

Grant

- 80% of trading profits (Cap £2,500)
- Profits must be half of taxable income
- Either
 - average 16/17, 17/18, and 18/19
 - 2018-19

Unknowns

- Trading profits not defined

Coronavirus | SSP

Temporary change

- Receive from day 1
- Coronavirus illness or self isolators
- Proof - Isolation note from NHS 111 online
- £94.25 per week.

Repayment for SMEs (fewer than 250 employees)

- Up to 2 weeks
- Employed as of 28 Feb
- Keep records of sickness
- Repayment mechanism in development

It may be tempting for the directors to claim SSP – but it would create an implied contract of employment – so double check the auto-enrolment obligations

Coronavirus | Universal Credit

- No SSP (inc. em'ees below the LEL)
- Universal credit or Employment and Support Allowance
- Eased access to Universal Credit
- Max equivalent to SSP
- Minimum income floor will be temporarily relaxed
- No requirement to attend a jobcentre if they are advised to self-isolate
- Clients should apply online to see if they qualify

Coronavirus | VAT Deferral

- Payment deferral between 20/03/20 and 30/06/20
- All UK VAT registered businesses
- Generally defer of one quarter - due 7 April, 7 May or 7 June 20
- Includes annual accounting scheme
- Any VAT liabilities accrued in the period need not be paid until 31/03/21
- File returns as normal
- DDs will need to be stopped by client
- VAT refunds unaffected
 - *VAT payments due after the deferral period has ended must be paid as normal*



Coronavirus | Income Tax Deferral

- 31 July 20 payment will be deferred until the 31 January 21
- Eligible applies to all those required to make payments on account
- No interest charged between 31 July 20 and 31 January 21
- “automatic offer”
- Cancel DD if applicable



*Tip – impact of coronavirus may reduce 19/20 taxable income
Therefore a claim can be made to reduce the 19/20 payments on account.
Generating a partial refund of the first payment on account.*

Coronavirus | Time to Pay

- HMRC's Time To Pay service.
- Struggling with outstanding tax liabilities
- Agreed on a case-by-case basis
- Helpline: 0800 0159 559.
- Late payment penalties and interest waived - where difficulties contacting HMRC or paying taxes due to Coronavirus



Coronavirus | Residential Property

Mortgage Holiday

- No payment for 3 months
- Residential or buy to let
- No impact on credit rating
- Mortgage must already be up to date
- Liability remains
- Interest will be added
- Speak to mortgage provider

Housing benefit

- Increasing cover 30% of market rents
- From April
- Universal Credit

- Cannot evict tenants who fail to pay rent on time. [info](#)



Coronavirus | Commercial Property

- Tenants unable to pay
- Protected from eviction
- Up to 30 June 20
- Still liable for rent
- Should contact their landlord ASAP
- All commercial tenants in England, Wales and Northern Ireland are eligible.

Coronavirus | Insurance

Check T & Cs

- Most policies will exclude pandemics
- Look for denial of access clause / forced closure

Change in policy?

- Clerical work from home, no change in policy
- If business changes, e.g. to a delivery service

Coronavirus | Companies House Extension



3 month extension



Apply before the accounts become overdue
Online form at Companies House website-
<https://beta.companieshouse.gov.uk/extensions>.

Confirmation given within 5 working days



Previously extended - may not be eligible

Appeal penalty

Coronavirus | Summary

All Business

- Business rates holiday
- Grants
- Business Loan Interruption scheme
- Time to pay
- Deferred VAT payment
- Insurance
- Co House extension
- Mortgage holiday

Self Employed

- Self employed support scheme
- Universal Credit
- Deferred SA payment
- Mortgage holiday
- Housing benefit

Employed

- SSP
- Job retention scheme

Everyone

- Universal Credit
- Mortgage holiday
- Housing benefit
- Deferred SA payment

Coronavirus | Other

- IR35 reforms - Postponed until 04/21
- Consider the scale rates for homeworking, see - [check which expenses are taxable if your employee works from home due to coronavirus](#)
- Child benefit and HICBC – Claim to ease cash flow
- Statutory residence test - prevented from leaving the UK?
- Interest rates have reduced to 0.1%
- Clients business not getting paid - Small Business Commissioner

Coronavirus | Direct debits

- Clients may want to suspend their DD
- Always discuss first with AIMS 3PR
- Let us know client fee and work done
- Assess suitability for a *deferral* over x number of months