

MGT CHARTERED ACCOUNTANTS

COVID – 19 FINANCIAL MEASURES

COVID – 19 GOVT INFORMATION FOR BUSINESS OWNERS

We hope this information is helpful to you. This is valid as at 30 March 2020.

- Where possible home working should be encouraged
- If someone becomes unwell they should be sent home and advised to follow NHS guidelines for staying at home.
- Employees should be reminded to wash hands for 20 seconds and more frequently.
- Make sure you have tissues so people can catch coughs and sneezes in them.
- Frequently clean and disinfect objects and surfaces touched regularly.
- Employees from defined vulnerable groups should be strongly advised and supported to stay at home and work from there if possible.

HELP FOR BUSINESSES AFFECTED BY COVID – 19 – STATUTORY SICK PAY (SSP)

SSP of £94.25 PW payable from day 1 if you fall under the new eligibility criteria.

- If you cannot work due to coronavirus – ENTITLED TO SSP
Workers who have not taken all of their statutory annual leave entitlement due to COVID-19 will now be able to carry it over into the next 2 leave years
- If you are staying at home on government advice OR self – isolating or household quarantine - ENTITLED TO SSP
- Already had 28 weeks SSP Max entitlement - CLAIM WELFARE BENEFIT
- Self –Employed - CLAIM UNIVERSAL CREDIT
You can also claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months. HMRC will contact you if you are eligible for the scheme and invite you to apply online By June 2020.



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NOTE: Applies from 13 March 2020, Repayment mechanism being set up over the coming months for reimbursing businesses SMEs (less than 250 employees as at 28 Feb 20) can claim SSP paid for sickness absence Due to COVID – 19 (Refund will cover up to two weeks SSP per eligible employee)

SICK NOTE- Instead of sick note an isolation note can be obtained by visiting NHS111 online and completing an online form.

HELP FOR BUSINESSES AFFECTED BY COVID – 19 – BUSINESS RATES

- 12 Months business rates holiday for all retail, hospitality and leisure businesses available.
- A grant of £25,000 will be provided to retail, hospitality and leisure businesses operating from smaller premises with a rateable value between £15,000 and £51,000.
- This will be dealt with by local authorities. Please check local authority's website for further information.



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HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – SMALL GRANT

S - 03

- Small grant funding of £10,000 for all businesses in receipt of small businesses rate relief. This is to help your ongoing business costs.
- If your business is eligible you will be contacted by your local authority – you do not need to apply. Funding will be provided in early April 2020.

HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS – LOAN SCHEME

S - 04

- For SMEs, funding can be sought through the coronavirus Business Interruption Loan Scheme (through the British Business Bank and your business bank)
- The government will guarantee 80% of the loan.
- Personal guarantees are likely to be needed.
- 12 months interest free (interest will be met by the government). Look for the interest rate after 12 months and your payment capacity
- Funding available from 23 March 2020.

HELP FOR COMPANIES AFFECTED BY CORONAVIRUS – WAGE RESCUE

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- HMRC will reimburse 80% of furloughed workers (temporary laid off) wage costs, up to a cap of £2,500 per month, backdated to 1 March 2020 – initially open for 3 months, to be extended if necessary.
- To access the scheme, you will need to designate affected employees as ‘furloughed workers’ and notify your employees of this change.
- Information will be submitted via a new online portal
- Please seek HR advice on laying staff off to ensure it is in line with existing contracts.
- The Coronavirus Business Interruption Loan can provide short term cash flow support for this

HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS – TIME TO PAY

S - 06

- All businesses and self – employed people in financial distress, with outstanding tax liabilities, may be able to seek a **Time To Pay** arrangement. These are decided on a case by case basis and tailored to individual circumstances.
- HMRC’s dedicated helpline is 08000159559. At the moment (likely to change) time to pay arrangements look like this:
 - Businesses can defer PAYE between 1 and 3 months (they will need a valid reason – for example if the company has temporarily shut)
 - Expectation is that the deferral will apply up to and including April Payroll
 - If the business can’t pay at this point, a formal payment plan can be set up between 3-9 months

HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS – VAT DEFERMENT

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- The VAT deferral applies from 20 March 2020 to 30 June 2020 and no VAT payment is required during this period.
- All UK Businesses are eligible
- Automatic offer, no application required. Tax payers will be given until the end of the 2020/2021 tax year to pay any liabilities accumulated.
- VAT Refunds and Reclaims will be paid as usual.

HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS – INSURANCE

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- Where businesses have insurance to cover for both pandemics and government – ordered closure, you should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc is sufficient to make a claim.
- Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.

HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS – LATE FILING

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- Companies House Filing can be delayed due to Coronavirus
- But you need to apply before the deadline.
- Businesses affected by the COVID – 19 pandemic can now apply to Companies House to request an extension to file their accounts, Reports and Confirmation Statements.
- No details on the reasons for delay, likely that the rules are still strict.

HELP FOR THE BUSINESSES AFFECTED BY CORONAVIRUS – LOANS

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- Please note that if needed, aside from the funding from the government, there are also lenders out there prepared to lend.

WATCH OUT FOR SCAMMERS ON ALL TYPES OF LOANS. MAKE SURE PROPER ADVICE AND GUIDANCE FROM PROFESSIONALS IS FOLLOWED.

HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS – DEFERRING INCOME TAX

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- If you were due to make a self-assessment payment on 31 July 2020 for your 'Payments on Accounts' this will be deferred until 31 January 2021.
- Available for those that are self-employed.
- This is an automatic offer no applications required.

HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS – MORTGAGES AND RENT

- Three month mortgage holiday for households experiencing financial difficulty(including self-employed)

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- Those that rent are protected too:
 - Local housing allowance rates will pay for at least 30% of market rents.
 - The government has suspended evictions and introduced three month mortgage payment holidays for landlords where they are facing financial difficulties due to Coronavirus.

HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS – GOVERNMENT SUPPORT

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- Universal credit and working tax credit to increase by £1040 per each year. This increases the payment of each by £20 a week for one year from April 6.

HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS – TIME TO PAY

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- All businesses and self employed people in financial distress, and with outstanding tax liabilities, may be able to seek a **Time To Pay** arrangement.
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- HMRC dedicated helpline is 08000159559

OTHER RELATED NEWS & STIMULUS

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- A welcome deferral of IR35 has been implemented: The Government is delaying the new private sector IR35 regime until 1 APRIL 2021.
- Possibility of personal/ corporate credit card interest and charges to be put on hold – Please speak to your service providers.
- Possibility of deferring HMRC's assessed penalties – Please speak to us if you are in this category.
- Possibility of requesting more time to reply to HMRC investigations/queries - Please contact us.
- To establish a community grant fund, defer NICs and VAT payments for charities, offer a loan guarantee for charities needing overdrafts to cover cash flow.
- Temporary suspension of wrongful trading provisions for company directors to remove the threat of personal liability during the pandemic, which will apply retrospectively from 1 March 2020.

We are open and are working as normal although most of our team members are working remotely from home.

Please contact us if you need specific advice or assistance and we will continue to provide our support during this time of your business life cycle.

As instructed by the Government, we are avoiding face to face meetings in the interest of everyone concerned.

The information presented on this guide is correct as at 30 Mar 2020.

THE SITUATION IS CHANGING RAPIDLY

WE WILL KEEP YOU UPDATED AS AND WHEN THE SITUATION CHANGES

MGT CHARTERED ACCOUNTANTS
Be Inspired Be Valued

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