

# COVID-19 BUSINESS SUPPORT UPDATE

The COVID-19 crisis has hit us fast and hard. We're still assessing what this means for the future. This document is designed to explain your rights and the support available now, as we currently understand them.

Let's start with a quick overview. The table below lists all the schemes that have been announced, and which group is entitled to each one; companies, self-employed and individuals.

On the following pages, we go into detail about what each scheme means and how they will be implemented.

## A Quick Overview

SCHEME	SELF-EMPLOYED	COMPANIES	INDIVIDUALS	
Self-employed income support scheme	✓			<a href="#">x</a>
Coronavirus Job Protection Scheme		✓		<a href="#">x</a>
VAT Deferral	✓	✓		<a href="#">x</a>
Grant if you get rates relief	✓	✓		<a href="#">x</a>
Self-Assessment Deferral	✓		✓	<a href="#">x</a>
Coronavirus Business Interruption Loan Scheme	✓	✓		<a href="#">x</a>
Mortgage payment holiday			✓	<a href="#">x</a>
Retail and hospitality grant		✓		<a href="#">x</a>
Retail, hospitality & nurseries rates holiday		✓		<a href="#">x</a>
Statutory Sick Pay		✓	✓	<a href="#">x</a>
Universal Credit	✓	✓	✓	<a href="#">x</a>
Time to pay tax	✓	✓	✓	<a href="#">x</a>
Protection from eviction	✓	✓	✓	<a href="#">x</a>

# SELF-EMPLOYED INCOME SUPPORT SCHEME

## WHAT IS IT?

- Taxable grant of 80% of your average monthly profits based on last 3 tax returns (or what's available)
- Maximum of £2,500 per month
- Covers 4 months (March-June)

## WHO CAN APPLY?

- Anyone with trading profits up to £50,000 per annum
- Majority of income comes from self-employment
- Must be still trading
- Must have a tax return for 2019 (i.e. you are not eligible if you became self-employed after April 2019)
- If you are late filing your tax return for 2018/2019, you must do so in the next 4 weeks in order to qualify.
- NOT AVAILABLE if you are paid by salary + dividends

## HOW DO I GET IT?

- It's paid automatically into your bank account based on tax records

## WHEN WILL I GET IT?

- Early June, or when systems allow

## WATCH OUT!

- Threat to increase taxes for self-employed

# CORONAVIRUS JOBS RETENTION SCHEME

## WHAT IS IT?

- Grant worth 80% of an employee's usual wage costs, up to £2,500 a month, for 3 months (March-May)

## WHO CAN APPLY?

- Any business with a PAYE scheme set up by 28 Feb 2020
- Applies to any employees (including directors)

## HOW DO I GET IT?

- By designating employees as furloughed
- Apply to HMRC through new online portal

## WHEN WILL I GET IT?

- HMRC aims to get payments made by the end of April
- Plan on having to pay 2 months' salary before you get relief

## WATCH OUT!

- Many details still to be confirmed
- Furloughed employees may not do any work (directors are allowed to continue to undertake statutory duties while they are furloughed)

# CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CIBLS)

## WHAT IS IT?

- Business loan, interest-free for 12 months

## WHO CAN APPLY?

- Any business with a turnover of less than £45 million

## HOW DO I GET IT?

- Apply to your bank first
- If you are turned down, approach one of the other 40 banks in the scheme

## WHEN CAN I GET IT?

- Available now

## WATCH OUT!

Conventional finance might be easier to access: overdraft, credit cards, regular loans, invoice finance.

# WHAT ELSE IS OUT THERE?

## SMALL BUSINESS GRANT SCHEME

WHAT IS IT?: A grant of £10,000

WHO GETS IT?: Any business receiving Small Business Rates Relief

HOW DO WE GET IT?: It's automatic and will be paid directly by your local council

WHEN?: Check with your Council

## RETAIL & HOSPITALITY GRANT SCHEME

WHAT IS IT?: A grant of "up to" £25,000

WHO IS ELIGIBLE?: Businesses in the retail, hospitality and/or leisure sector that occupy properties mainly used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for Assembly and leisure
- as hotels, guest and boarding premises and self-catering accommodation

Who have a rateable value of between £15,000 and £51,000

HOW DO WE GET IT?: It's automatic and will be paid directly by your Local Council

WHEN DO WE GET IT?: Check with your Council

WATCH OUT!: It's not yet clear how it works for multiple premises

## SELF-ASSESSMENT PAYMENT DEFERRAL

WHAT IS IT?: Self- Assessment payment on account, due by 31 July 2020 can be deferred until January 2021

WHO CAN DEFER?: Anyone due to make a payment on account in July 2020

HOW?: It's automatic, you don't need to do anything

## STATUTORY SICK PAY

WHAT IS IT?:

- Employees can claim sick pay from Day 1 (was Day 4) of sickness
- Employers can reclaim 2 weeks SSP per employee

WHO GETS IT?: Employers with less than 250 employees

HOW DO WE GET IT?: Government is working on a rebate scheme

WHEN WILL WE GET IT?: Over the coming months

## VAT DEFERRAL

WHAT IS IT?: Payment of VAT deferred until the end of tax year (5 April 2021)

WHO GETS IT?: All VAT-registered businesses

HOW DO WE GET IT?: It's automatic

WHEN DOES IT APPLY TO?: Quarter ending Feb /March/ April 2020

WATCH OUT!: if you pay VAT by direct debit, you must cancel it with your bank

## BUSINESS RATES HOLIDAY

WHAT IS IT?: Rates holiday for 2020/21

WHO GETS IT?: All businesses in the retail, hospitality and/or leisure sector. And nurseries

HOW DO WE GET IT?: It's automatic. Your Local Council will amend your rates bill.

## MORTGAGE PAYMENT HOLIDAY

WHAT IS IT?: No mortgage payments for 3 months

WHO GETS IT?: Anyone with a mortgage that is not in arrears includes buy-to-let mortgages

HOW DO WE GET IT?: Contact your mortgage provider (many have online forms)

WHEN DO WE GET IT?: It's available now, contact your lender.

WATCH OUT!: Interest continues to accrue, resulting in increased payments at the end of the "holiday", or a longer mortgage term

# OTHER SUPPORT

## UNIVERSAL CREDIT

- Conditions have been relaxed to make it more accessible to self-employed
- Payments have been increased

## NO EVICTIONS

- Ban on evictions from social or private rented property
- Commercial tenants protected from eviction

## TIME TO PAY TAXES 0800 015 9559

- Call HMRC's special helpline to agree time to pay Corporation Tax, PAYE, VAT & Self-Assessment taxes that have not automatically been deferred

## WHAT CAN WE DO FOR YOU?

- Get your bookkeeping up to date so you can see where you are now
- Prepare a cash flow forecast and help you identify options
- Help you find finance / credit
- Apply for tax rebates, such as R&D Tax Credits
- Talk through ideas to adapt your business to the new reality
- Discuss ways to make your business more resilient going forward

## Contact Us

Don't forget you can always contact us to schedule a meeting, or talk over the phone about your options, if you're not sure where you fit in.

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