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27th March 2020

ALL MEMBERS MEMORANDUM No 62-20

COVID 19: FURTHER UK GOVERNMENT ASSISTANCE FOR BUSINESS

CORONAVIRUS JOB RETENTION SCHEME

All UK employers with a PAYE scheme will be able to access support to continue paying part of their employees' salary for those that would otherwise have been laid off during this crisis. This applies to employees who have been asked to stop working, but who are being kept on the pay roll, otherwise described as 'furloughed workers'. HMRC will reimburse 80% of their wages, up to £2,500 per month. This is to safeguard workers from being made redundant. The Coronavirus Job Retention Scheme will cover the cost of wages backdated to March 1st and is initially open for 3 months, but will be extended if necessary.

All UK-wide employers with a PAYE scheme will be eligible – this includes the public sector, Local Authorities and charities.

How to access it?

You will need to:

1. Designate affected employees as 'furloughed workers,' and notify your employees of this change – changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.
2. Once the new online portal is live, submit information to HMRC about the employees that have been furloughed and their earnings (HMRC will set out further details on the information required)
3. HMRC are aiming to have this open by the end of April.
4. Government recommend applying for a Coronavirus Business Interruption Loan for more short term cash flow support, or the Covid 19 Corporate Financing Facility, operated by the Bank of England, for larger companies.

More detailed information is available [here](#):

SELF-EMPLOYMENT INCOME SUPPORT SCHEME (SEISS)

This was announced yesterday and is a similar scheme but to support self-employed individuals (including members of partnerships) whose income has been negatively impacted by COVID-19. The scheme will provide a grant to self-employed individuals or partnerships, worth 80% of their profits up to a cap of £2,500 per month.

HMRC will use the average profits from tax returns in 2016-17, 2017-18 and 2018-19 to calculate the size of the grant. The scheme will be open to those where the majority of their income comes from self-employment and who have profits of less than £50,000. The scheme will be open for an initial three months with people able to make their first claim by the beginning of June.

To be eligible for the scheme you must meet all the criteria below:

- Be self-employed or a member of partnership;
- Have lost trading/partnership trading profits due to COVID-19;
- File a tax return for 2018-19 as self-employed or a member of a trading partnership. Those who have not yet filed for 2018-19 will have an additional 4 weeks from this announcement to do so;
- 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 tax year 2020 to 2021
- Have trading profits of less than £50,000 and more than half of your total income come 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.

Further advice can be found [here](#)

VAT DEFERRAL

This is an automatic offer with no applications required. UK Registered businesses will not need to make VAT payments normally due with VAT returns during this period. Taxpayers will be given until the end of the 2020-21 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

Customers who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay. Please do so in sufficient time so that HMRC do not attempt to automatically collect on receipt of your VAT return.

The deferral will as it stands apply from 20 March 2020 until 30 June 2020.

The coronavirus business central support hub is to be found [here](#)

BEIS Business Support Helpline: 0300 456 3565

DEBORAH HARRISON

Legal Manager and Company Secretary