

28 May 2020

EDITION 11

Since the outbreak of COVID-19 in the UK and nationwide lockdown, the Government has brought in measures in order to help businesses and individuals cope with the impact. We have notified you of these as they have arisen, but we thought it would be useful to recap on the measures available should anyone have missed them.

NEW - Coronavirus Sick Pay Scheme

The coronavirus SSP rebate scheme, announced by Chancellor Rishi Sunak at the Budget officially opened for applications from 26 May.

The scheme allows small and medium sized employers, with fewer than 250 members of staff, to apply to recover the costs of paying coronavirus-related SSP, and is worth nearly £200 per employee.

To get the rebate, employers need to go online via gov.uk [here](#) and input simple information on the employees being claimed for. After making an application, HMRC says they should receive the money within six working days.

The scheme covers all types of employment contracts, including full-time employees, part-time employees, employees on agency contracts, and employees on flexible or zero-hour contracts. Tax agents can make claims on behalf of employers.

Connected companies and charities can also use the scheme if their total combined number of PAYE employees are fewer than 250 on or before 28 February 2020.

Employees do not have to provide a doctor's fit note in order for their employer to make a claim under the scheme make a claim.

However, employers can ask them to provide either an isolation note from NHS 111 if they are self-isolating and cannot work because of coronavirus, or the NHS or GP letter telling them to stay at home for at least 12 weeks because they're at high risk of severe illness from coronavirus.

The repayment will cover up to two weeks of SSP from either 13 March 2020, if an employee had coronavirus, symptoms or is self isolating because someone they live with has symptoms, or from 16 April 2020 if an employee was shielding because of coronavirus.

Employers can furlough their employees who have been advised to shield in line with public health guidance and are unable to work from home, under the coronavirus job retention scheme. Once furloughed, the employee should no longer receive SSP and would be classified as a furloughed employee.

Where an employee has been notified to shield and has not been furloughed, the rebate will compensate up to 2 weeks of SSP from 16 April.



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The current rate of SSP is £95.85 per week. Employers can choose to pay more than the statutory minimum, but will only be able to reclaim the SSP rate.

RECAP

Coronavirus Business Interruption Loan Scheme (CBILS)

This is a loan scheme administered by the Banks but 80% guaranteed by the Government on loans up to £5m. The Government also covers the cost of interest and loan fees for the first 12 months for businesses with an annual turnover up to £45m. The application is made directly with the banks (we have seen that most have a section in their online banking platform) and businesses need to demonstrate that they are UK based and have suffered as a result of the pandemic. More details are available at the gov.uk website [here](#).

Bounce Back Loans (BBL)

The scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan available is £50,000 and the government guarantees 100% of the loan and there won't be any fees or interest to pay for the first 12 months. After 12 months the interest rate will be 2.5% a year and loan is up to a maximum of 6 years. There is no charge for early repayment.

To be eligible a business must be based in the UK, registered before 1 March 2020 and have been adversely affected by the pandemic. You cannot claim for a BBL if you are already using CBILS, however if the CBILS loan is under £50k then you can convert it into a BBL without any charge.

We have seen a lot of clients obtaining BBLs to either help with current conditions or to help with cashflow issues that may subsequently arise as a result of coronavirus. The reports are that obtaining a BBL is relatively straight forward as the Government promised. More details on BBL can be found at the gov.uk website [here](#).

Coronavirus Job Retention Scheme (CJRS)

This scheme allows employers to furlough employees with the Government paying 80% of their "regular" wages up to a maximum of £2,500 per month. The scheme is administered through the employer's payroll scheme. As this is just a quick recap on what is a complex area, we would urge anyone who wants to know more about this scheme to contact us or visit the gov.uk website [here](#).

Self Employed Income Support Scheme (SEISS)

The scheme will allow you to claim a taxable grant of 80% of your average monthly trading profits, paid out in a single instalment covering 3 months, and capped at £7,500 altogether. This is a temporary scheme, but it may be extended.

To qualify you must have traded in the year to 5 April 2019 and submitted your 2018/19 self assessment tax return by 23 April 2020, continued to trade in the year to 5 April 2020 and intend to continue to in the year to 5 April 2021. You must also carry out a trade which has been affected by

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coronavirus and your self employed income must be great that any other forms of income you may have, such as pensions and investments.

If you receive the grant you can continue to work, start a new trade or take on other employment including voluntary work. The grant does not need to be repaid but will be subject to Income Tax and self-employed National Insurance.

HMRC will work out if you're eligible and how much grant you may get and should have already been in contact with you to notify you of this. If not there you should use the online eligibility checker [here](#) or contact us to discuss why you might not be eligible. Unfortunately, we as agents are not allowed to make the application on your behalf and HMRC will only speak with the taxpayer directly.

Self Assessment Payment on Account Deferral

HMRC have allowed taxpayers due to make a payment on account by 31 July 2020 to defer making this payment until 31 January 2021. There is no need to contact HMRC to make this deferral.

VAT Deferral

For VAT payments due between 20 March 2020 and 30 June 2020 can deferred until 31 March 2021. This will affect VAT return periods ending February 2020, March 2020 and April 2020. You do not need to contact HMRC to make this deferral (gov.uk actively discourages doing so), but you must still continue to file your VAT returns on time, as there has been no suspension on late filing charges. More details are available at the gov.uk website [here](#).

Time to Pay

Any business that pays tax to the UK government and has outstanding tax liabilities will be able to apply for their case to be reviewed by HMRC with a view to arranging a bespoke time to pay agreement. This applies to all businesses including the self-employed. HMRC has set up a dedicated helpline on 0800 0159 559. From the feedback we have been receiving HMRC have been very helpful and accommodating with this, although some persistence has been required at times to get through.

Business Rates

The Government introduced a business rates holiday for retail, hospitality and leisure businesses in England for the 2020/2021 tax year. No action is required and this will apply to your council tax bill issued in April 2020. If this is not the case then you should contact your local authority.

Cash Grants

The retail, hospitality and leisure sectors in England can apply for a cash grant of up to £25,000 per property. For rateable values of under £15,000, they will receive £10,000. Between £15,001 and £51,000, they will receive a grant of £25,000. No action is required as local authorities will write to eligible businesses. Smaller businesses within the Small Business Rate Relief or Rural Rate Relief will of £10,000. The feedback we have been receiving from clients suggests that local authorities have

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been very efficient at contacting those businesses that are eligible and that the scope for those eligible has been quite wide.

Companies House

If a company's accounts are unlikely to be filed on time owing to being affected by Coronavirus then an application can be made to extend the period allowed for filing. If an application is not made and there is a late filing then the normal penalty regime would apply, so it is important to make the application ahead of the deadline. An application can be made [here](#) and it is important to make clear that your reasons for not being able to meet the normal deadline is due to disruption brought about by the Coronavirus pandemic.

Mortgage and Rent Holiday

Tenants, as well as mortgage borrowers, can apply for a 3 month payment holiday. Interest will continue to be charged on any amount that they owe, but credit ratings should not be affected. The feedback we have received is that obtaining this holiday has not been an issue for anyone.

R&D Allowances

Whilst the initial reaction might be that this is very far from client's minds right now, if your business has incurred any costs associated with Research and Development then you could be entitled to a reduction in your Corporation Tax liabilities, with the possibility of going back to previous years and claiming a tax refund to help during this difficult time. If you think this might be an option for you then please contact us for further guidance on the matter.

Premium Credit

For those of you who owe past or recent fees to us we understand that payment in full may now become difficult. It would really help us to continue to operate if you would consider spreading the payment through our instalment facility. This will help you to spread the cost and help us to maintain sufficient cash-flow to keep as many staff operational as possible.

Through Premium Credit we are able to help our clients fund payment of our fees over period ranging from 6 to 12 months for a comparatively small finance charge. If this is something you would like to explore or setup then please feel free to contact us. The rates are as follows:

6 Months:	3.25% transaction fee plus £5 admin charge
10 Months:	5.25% transaction fee plus £5 admin charge
12 Months:	6.25% transaction fee plus £5 admin charge

To initiate this please contact victoria@jamestoddandco.co.uk and she will be happy to help to sort this out.

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Fee Protection Cover – Additional Services

It is worth reminding those clients who have taken up our Fee Protection Cover that this also comes with a range of additional advice services, such as employment and commercial law, and health and safety, which can be accessed via telephone and email using the details in your renewal documents. If you need any help with these please feel free to contact us using victoria@jamestoddandco.co.uk.

Continuity of Service at James Todd & Co

The James Todd & Co internal platform is cloud hosted and all members of our team have the ability to work away from the office. We have therefore made the decision to temporarily close the offices to all clients and non-essential staff until further notice. Bookkeeping and accounting records can still be delivered to our Lavant office but we would ask that this be prior appointment only, so that no journey is wasted. We will let you know as soon as our offices are open, but we will be continuing to work in our full capacity and ensure that all deadlines are met.

Email communication should remain fully operational and we will be diverting our telephone systems so that incoming calls can be dealt with.

We are dealing with an unprecedented level of queries at the moment and we appreciate your understanding at this time. We would recommend emailing queries where at all possible, particularly in relation to bookkeeping and payroll, as it will enable to answer all queries more efficiently.



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