

Information & advice for businesses, employers & employees during the Coronavirus Pandemic

The information in this guidance sheet is sourced from GOV.UK, ACAS (The Advisory, Conciliation and Arbitration Service) and FSB (Federation of Small Businesses). As the issues discussed below are ongoing and changes to this information, the legislation and advice are happening constantly, we continue to update this guide. However, if you think something is outdated or incorrect, please either seek the information directly from the GOV website or contact our office to discuss on 01483 276100.

1. Isolation Information:

Following the Prime Ministers address to the Nation on Monday evening (23/03/2020) it is necessary that all non-essential work be carried out from home where possible.

Employers need to make every effort to make working from home possible for its employees.

Prior to this 'Lockdown' the following advice was given to people showing symptoms, with confirmed Coronavirus or suspected coronavirus:

If you or a member of your household begins showing symptoms then the entire household must self-isolate for 14 days, from the first day symptoms were shown. The person to first show symptoms must isolate for 7 days from the first day of symptoms.

2. SSP (Statutory Sick Pay)

Statutory Sick Pay has been changed for those suffering, or self-isolating because of Coronavirus.

SSP is £94.25 per week and is now payable from day 1 of sickness instead of day 4, to encourage those showing symptoms to isolate sooner rather than later.

SSP is payable by the employer for up to 28 weeks of sickness. Employers can claim back 2 weeks SSP pay from the Government, so long as they don't employ more than 250 people. As of yet there is no clear understanding as to how SSP should be claimed back.

Employees can choose to take their isolation time off as Annual Leave, or even to begin working from home, should they feel well enough to do so. Employers cannot force employees to work during this isolation time.

Employers can, under certain circumstance, force employees to take annual leave at a specific time.

3. Furloughed Workers & the 80% Government salary grants

If you cannot cover staff costs due to Coronavirus, you may be able to access support to continue paying part of their wage, to avoid redundancies.

If you intend to access the Coronavirus Job Retention Scheme, you will need to discuss with your employee the need to become classified as a furloughed worker. This means that your employees are kept on the payroll, instead of being laid off.

To qualify for this scheme, employees should not undertake work for you while they are furloughed. This will allow you to claim a grant of up to 80% of their wages for all employment costs, up to a cap of £2,500 per month.

Employees will remain employed while furloughed. You can choose to fund the differences between this payment and their salary, but do not have to.

If their salary is reduced as a result of these changes, they may be eligible for support through the welfare system, including Universal Credit.

The Government intend for the Coronavirus Job Retention Scheme to run for at least 3 months from 1 March 2020, but this will be extended if necessary.

We believe the scheme will be accessible from early April and that payrolls will continue to be submitted as usual in meantime.

We also believe the deciding factor in level of salary for the 80% calculation will be based on the February and we are advised that as part of the qualification for this to be agreed by HMRC, they may wish to see employment contracts for all eligible employees.

We can provide you with employment contracts, so please contact us directly. Updated legislation from 1 April 2020 states that all new employees need to be issued with a contract of employment on the day they start work.

If you were unemployed in February you should apply for Universal Credit.

If employees are on a zero hours contract the February payroll will be used as a benchmark.

4. What to do if you're self-employed

The Government has suspended the 'minimum income floor' from Universal Credit (UC) for the self-employed, so if you are in the system due to low income there is no longer an assumption you earn the equivalent of the living wage (which from next month this is £8.72 an hour, so for 35 hours a week that's £305.20). UC is administered through Jobcentre Plus, which like the NHS is likely to switch to online/phone for consultations.

If you do not currently receive Universal Credit you can apply to do so. If you need income fast, you can apply for an advance on your first scheduled universal credit payment. You can apply for universal credit even if you are working – it is designed for people who are either out of work or on a low income. This includes someone who is self-employed and whose income has dropped as a result of this disruption.

If you are self-employed and claiming Employment Support Allowance (ESA), and test positive for coronavirus or are in self-isolation, you will be able to claim from day one of a claim instead of waiting the usual seven days. You will also be able to apply for ESA if you have a disability or health condition that affects how much you can work. The Government announced in an address on 17/03/20 that banks will be offering Mortgage holidays for up to 3 months.

5. More time to pay your taxes and Companies House Filing Extension

HMRC has set up dedicated phone lines for Coronavirus related challenges, to help small businesses unable to pay their taxes on time (Corporation tax, income tax, PAYE, VAT) with options to defer or delay payment.

Known as 'Time To Pay', this is a vital service. Around 2,000 staff work the HMRC helpline. The helpline number is **0800 015 9559** and lines are open Monday to Friday, 8am to 8pm and on Saturday, 8am to 4pm.

HMRC will also waive late payment penalties and interest, but you should make every effort to contact HMRC immediately.

All Self-Assessment bills due by the end of July have been deferred until January 2021.

VAT – VAT payments due between now and June 30th have been deferred. Businesses with VAT liabilities will have until the end of the 2020/21 tax year to pay. If due a refund of VAT this will be processed as usual. VAT returns still need to be submitted as usual.

Those who have a direct debit in place with HMRC to pay their VAT liability should cancel this before HMRC attempts to automatically take payment.

From the 25 March companies affected by the crisis will be able to apply for a three-month extension to their accounts filing deadline. Companies will need to apply for the extension but should automatically be granted it.

6. Business Rates and Government backed Loans

Talk to your bank about financial help if needed, to tide you over if your business gets into difficulty. Banks are being asked to have a presumptive 'yes' when an otherwise viable small business goes to them in distress.

The UK Government and Bank of England have made billions of pounds available for domestic banks across the UK to help small businesses in this position.

The British Business Bank is setting up a Coronavirus Business Interruption Lending Scheme which will provide your lender with a government-backed 80% guarantee against the outstanding facility balance, which should enable a 'no' credit decision to become a 'yes'.

In addition to considering new overdraft facilities, banks and finance providers should also be lenient on things like loan repayments. The Bank of England cut interest rates from 0.75% to 0.25%.

In the address on 17/03/20 Government update it was announced that banks will be offering a 3 month Mortgage holiday opportunity.

The UK Government announced at the Budget that small businesses with a rateable value of between £12K and £51K in England, across retail, hospitality and leisure sectors will see their relief increase from 33% to 100%, for one year. Note that the relief has been expanded to

more sectors, but not all. Pubs will also get a £5,000 discount. In total, 900,000 businesses will now not pay a penny in business rates.

700,000 businesses that already qualify for Small Business Rate Relief or Rural Rate Relief will be given a £3,000 cash grant.

If you have already received a business rates bill – it is important to pay it, with a refund being issued retrospectively. More detail is due to be announced by 20th March.

Business rates are being put on hold for 12 months for these qualifying businesses, as announced in the Chancellors address on 17/03/2020.

The temporary Coronavirus Business Interruption Loan Scheme supports SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.

The government will also make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.

The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.

There are 40 accredited lenders able to offer the scheme, including all the major banks.

7. Coronavirus Business Interruption Loan Scheme

The Coronavirus Business Interruption Loan Scheme (CBILS) is a series of government backed loans for viable businesses suffering disruption as a result of the current crisis. Government will guarantee 80% of each loan and will pay all interest and fees on the product for the first twelve months.

CBILS covers a variety of products being made available through banks, building societies and other financial institutions.

Businesses interested in obtaining one of these products should contact their main businesses bank first. It should be noted that many banks are only offering products to existing customers.

To obtain a product under the CBILS businesses will need to meet the following criteria:

- Be UK based, with turnover of no more than £45 million per annum
- Be able to confirm that they have not received de minimis State aid beyond €200,000 equivalent over the current and previous two fiscal years
- Have a sound borrowing proposal, but insufficient security to meet the lender's requirements

Sole traders and unincorporated partnerships are eligible to apply for products covered under the scheme. Although, some organisations may not qualify for the scheme, or for the full interest/fee free period. These include aquaculture and agriculture businesses as well as

financial institutions such as banks and insurers. You should check with the specific lender for exclusions.

Please note, we are constantly reviewing this information and guidance and editing where necessary to keep in line with updated Government legislation. If you have any questions or want any more information about how this is affecting your business, employees or self, please don't hesitate to get in contact with our office on 01483276100 or email office@oaktax.com.

Gov.uk: <https://www.gov.uk/coronavirus>

ACAS: <https://www.acas.org.uk/coronavirus>

FSB: <https://www.fsb.org.uk/campaign/covid19.html>