

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 However, if you think something is outdated or incorrect, please either seek the information directly from the GOV website or contact our office to discuss on 01483 276100.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. Furloughing Employees (CJRS) & Statutory Sick Pay (SSP)

The Furlough Scheme closed to new applicants on June 30th.

Eligible individuals who are not employees:

- office holders (including company directors)
- salaried members of Limited Liability Partnerships (LLPs)
- agency workers (including those employed by umbrella companies)

1.1 Part time furloughing

From 1 July 2020, businesses using the scheme will have the flexibility to bring previously furloughed employees back to work part time – with the government continuing to pay 80% of wages for any of their normal hours they do not work, up until the end of August.

Employers will decide the hours and shift patterns their employees will work on their return, and will be responsible for paying their wages in full while working. This means that employees can work as much or as little as the business needs, with no minimum time that they can furlough staff for.

Any working hours arrangement agreed between a business and their employee must cover at least one week and be confirmed to the employee in writing. When claiming the CJRS grant for furloughed hours, they will need to report and claim for a minimum period of a week. They can choose to make claims for longer periods such as on monthly or two weekly cycles if preferred. Employers will be required to submit data on the usual hours an employee would be expected to work in a claim period and actual hours worked.

If employees are unable to return to work, or employers do not have work for them to do, they can remain on furlough and the employer can continue to claim the grant for their full hours under the existing rules

1.2 Employer contributions

From August, the government grant provided through the job retention scheme will be slowly tapered.

- in **June** and **July**, the government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance (ER NICs) and pension contributions for the hours the employee doesn't work – employers will have to pay employees for the hours they work
- in **August**, the government will continue to pay 80% of wages up to a cap of £2,500 but employers will pay ER NICs and pension contributions – for the average claim, this represents 5% of the gross employment costs that they would have incurred if the employee had not been furloughed
- in **September**, the government will pay 70% of wages up to a cap of £2,187.50 for the hours the employee does not work – employers will pay ER NICs, pension contributions and 10% of wages to make up 80% of the total up to a cap of £2,500
- in **October**, the government will pay 60% of wages up to a cap of £1,875 for the hours the employee does not work – employers will pay ER NICs, pension contributions and 20% of wages to make up 80% of the total up to a cap of £2,500
- the cap on the furlough grant will be proportional to the hours not worked.

Many smaller employers have some or all of their employer NIC bills covered by the Employment Allowance so will not be significantly impacted by that part of the tapering of the government contribution.

1.3 Important dates

It's important to note that the scheme has closed to new entrants from **30th June**. From this point onwards, employers will only be able to furlough employees that they have furloughed for a full three-week period prior to 30 June.

1.4 SSP (Statutory Sick Pay)

The coronavirus Statutory Sick Pay Rebate Scheme launched online on 26 May.

The scheme will enable employers with fewer than 250 employees to claim coronavirus-related Statutory Sick Pay (SSP). Agents (us) will be able to make claims on behalf of employers.

1.5 CJRS Bonus

As an added incentive to try and protect jobs, the Government is introducing a 'bonus' payment grant available to those keeping previously furloughed employees on until at least January 31st. In order to qualify, employees must have been furloughed at some point during the schemes active period and be continuously employed by that same employer until at least January 31st. The employee must also be paid at least £520 per month in November, December and January. If these conditions are met, once the January PAYE has been filed to HMRC, a **one off claim of £1000 per employee can be made.**

Employers are eligible to use the scheme if:

- they're claiming for an employee who's eligible for sick pay due to coronavirus

- they had a PAYE payroll scheme in operation before 28 February 2020
- they had fewer than 250 employees across all PAYE schemes on 28 February 2020
- they're eligible to receive State Aid under the EU Commission Temporary Framework.

The repayment will cover up to two weeks of the applicable rate of SSP, and is payable if a current or former employee was unable to work on or after 13 March 2020 and entitled to SSP, because they either:

- have coronavirus
- are self-isolating and unable to work from home
- are shielding because they've been advised that they're at high risk of severe illness from coronavirus.

2. Self-employed support schemes (SEISS)

The Coronavirus Self-Employment income support scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month from April for three months. The deadline to make a claim for the first SEISS grant is 13th July.

You'll get a taxable grant based on your average trading profit over the 3 tax years:

- 2016 to 2017
- 2017 to 2018
- 2018 to 2019

You can claim if you're a self-employed individual or a member of a partnership and all of the following apply:

- you traded in the tax year 2018 to 2019 and submitted your Self-Assessment tax return on or before 23 April 2020 for that year
- you traded in the tax year 2019 to 2020
- you intend to continue to trade in the tax year 2020 to 2021
- you carry on a trade which has been adversely affected by coronavirus

Your business could be adversely affected by coronavirus if, for example:

- you're unable to work because you:
 - are shielding
 - are self-isolating
 - are on sick leave because of coronavirus
 - have caring responsibilities because of coronavirus
- you've had to scale down, temporarily stop trading or incurred additional costs because:
 - your supply chain has been interrupted
 - you have fewer or no customers or clients
 - your staff are unable to come in to work
 - one or more of your contracts have been cancelled

- you had to buy protective equipment so you could trade following social distancing rules
- The second and final Self Employed Income Support Scheme grant will be available from **August 17th**. You will have to be able to confirm that your business has been adversely affected by COVID-19 on or after July 14th. The second grant will be a taxable grant worth 70% of your average monthly trading profits, paid out in a single instalment and capped at £6,570 in total. You can apply for this grant even if you didn't apply for the first. HMRC will decide if an individual is eligible in the same way as before.

THE SCHEME IS NOW LIVE – YOU CAN STILL APPLY FOR THIS IF YOU DIDN'T APPLY FOR THE FIRST GRANT

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

VAT – VAT payments due between March 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.

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.

Payments on account for Self-Assessment Tax Return payments for July 2020 have been deferred and are not due until January 31st 2021.

4. 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 for the first twelve months.

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

Interested businesses should contact their main businesses bank first. 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.

5. Finance information

In addition to considering new overdraft facilities, banks and finance providers should also be lenient on things like loan repayments. The Bank of England has 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 more leniently.

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.

6. Small business Grant Fund

- Under the Small Business Grant Fund (SBGF) all eligible businesses in England in receipt of either Small Business Rates Relief (SBRR) or Rural Rates Relief (RRR) in the business rates system will be eligible for a payment of £10,000.
- Under the Retail, Hospitality and Leisure Grant (RHLG) eligible businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 will be eligible for a cash grants of £10,000 or £25,000 per property.
- Eligible businesses in these sectors with a property that has a rateable value of up to and including £15,000 will receive a grant of £10,000.
- Eligible businesses in these sectors with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000.
- Businesses with a rateable value of £51,000 or over are not eligible for this scheme. Businesses which are not ratepayers in the business rates system are not included in this scheme.
- To be eligible for the grants a business must:
 - Businesses with a property, which on the 11 March 2020, were eligible for Small Business Rate Relief (SBRR) Scheme (including those with a Rateable Value between £12,000 and £15,000 which receive tapered relief).
 - Businesses which on 11 March 2020 were eligible for relief under the Rural Rate Relief Scheme are also eligible for this scheme.
 - Eligible recipients will receive one grant per property – paid by local councils

7. Coronavirus Bounce Back Loan

If your small to medium-sized business (SME) is affected by coronavirus, you may be able to borrow between £2,000 and £50,000 through a Bounce Back Loan scheme.

The government will guarantee 100% of the loan and for the first 12 months you will not have to pay any fees or interest, or make repayments.

You may be eligible for this scheme if your business:

- is based in the UK
- has been negatively affected by coronavirus
- was not an 'undertaking in difficulty' on 31 December 2019

This includes self-employed people.

If you've already received a loan of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, you can arrange this with your lender until 4 November 2020.

This scheme will not be available to those already using the Business Interruption Loan Scheme.

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>

Coronavirus schemes targeted by Scammers*

Criminals are taking advantage of the current crisis to try to scam people. HMRC have identified more than 70 COVID related scams and have asked Internet Service Providers (ISPs) to take down over 500 malicious websites associated with these criminals. With things changing so quickly it is important that you remain vigilant and support your clients in protecting themselves from these scams.

Email, text and online scams

Scammers are sending phishing emails which claim to be from reputable sources, such as banks and HMRC. These messages can be very sophisticated and professional looking. They may ask the recipient for sensitive information or they may direct them to a phoney website (impersonating HMRC or a bank's website), tricking the recipient into entering sensitive information which is transmitted to the scammers.

There has been at least one instance of criminals creating a 'corona virus tracking website', which when used by an individual would download malicious software onto their computer. In this instance the software was the AZORult Trojan virus, which is able to identify potentially sensitive information on a computer and transmit it to the criminals.

Refund scams

There have been a number of reports of people receiving communications claiming to be from travel-agents, hotels and airlines claiming that they are offering the recipient a refund for a cancelled holiday. While the criminals may not ask the recipient to transfer money directly to them, they may attempt to gain sensitive information which could be used to commit identity theft (for example, the recipients' passport number, date of birth etc.)

Social media scams

There have been a number of interactive quizzes/questionnaires circulated on popular social media platforms, including FaceBook and Twitter, which are operated by criminals attempting to gain personal information. Many of these quizzes/questionnaires are legitimate but a small and growing number are designed by criminals to extract information from the user. The quizzes/questionnaires may attempt to establish the users name and their answers to common security questions (such as their mother's maiden name, place of birth, first car etc.).

Supplier scams and counterfeit goods

There have been a number of instances of criminals calling people claiming to be from local councils, social services or charities. They offer to provide PPE, testing equipment/devices or offer to undertake shopping for those who are at risk. The scammers either attempt to extort payment or information from the individual. A large number of these scams have been reported in Essex and Sussex.

A number of fictitious businesses have appeared offering hand-sanitiser, PPE and cleaning services or equipment. These businesses will take payment for goods and services but never provide them.

Spotting scams and staying safe

There are now many sophisticated scams and anyone can become a victim of them. There are some simple steps which can be taken to reduce the risk of falling victim to these criminals:

If you receive a message asking for information or payment contact the organisation it purports to be from to check the authenticity. Use known contact details or obtain them independently. If a communication claims to be from HMRC check your GOV account where, if its legitimate, there will be a copy.

Never follow links in emails if they are asking for information. Always type the known URL into your web-browser manually or follow a link you normally use to access the site.

Do not feel pressured into giving information until you have done your due diligence.

Avoid giving out information on social media sites where possible.

*** Courtesy of CPAA (Certified Public Accountants Association)**