

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 However, if you think something is outdated or incorrect, please either seek the information directly from the GOV website or contact our office to discuss on 01483 276100.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)

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 CJRS Continued

This extended Job Retention Scheme will operate as the previous scheme did, with businesses being paid upfront to cover wages costs. There will be a short period when changes to the legal terms of the scheme and system updates need to take place, businesses will be paid in arrears for that period.

The CJRS is being extended until December. The level of the grant will mirror levels available under the CJRS in August, so the government will pay 80% of wages up to a cap of £2,500 and employers will pay employer National Insurance Contributions (NICs) and pension contributions only for the hours the employee does not work.

As under the current CJRS, flexible furloughing will be allowed in addition to full-time furloughing.

Further details, including how to claim this extended support through an updated claims service, will be announced shortly.

The Job Support Scheme will be introduced following the end of the CJRS

As of 19/12/2020 the CJRS has been extended until April 2021, with the Government paying 80% of wages with the same caps and eligibility as now.

1.2 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.

1.3 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.**

The Job Retention Bonus will no longer be paid in February 2021 and an alternative retention incentive is being put in place at an appropriate time.

Employers are eligible to use the furlough 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 30 October 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.

1.4 'Job Support Scheme' announced September 2020

Effective from November 1st, the Job Support Scheme will run for 6 months. Under this new scheme, the government will contribute to the wages of employees working fewer than their normal hours, due to a decrease in demand. To be eligible, employees must:

Be registered on PAYE payroll on or before September 23rd 2020 and, work at least 33% of their usual hours.

Under this scheme, employers will continue to pay the wages for the hours worked by staff, but, for the hours not worked, the Government and the employer will each pay 1/3 of the usual wage, up to a cap of £697.92 per month. Effectively, employees will be paid at least 66% of their usual wages for the hours not worked because of diminishing demand.

The JSS will start when furlough ends.

2. Self-employed support schemes (SEISS)

2.2 SEISS second wave

The Government has extended the SEISS so that a third grant can be claimed for Self-Employed and Partnerships persons, still working, but experiencing reduced demand because of the virus.

The first grant in this new scheme will cover the three months from November to January. It will be a taxable grant, worth 20% of average monthly trading profits, up to a capped total of £1875.

An additional, second grant, which may be adjusted to respond to changing circumstances, will be available for self-employed individuals, covering the period February to April.

Self-Employment Income Support Scheme (SEISS) Grant Extension

The Self-Employment Income Support Scheme (SEISS) Grant Extension will be increased from 40% of average trading profits, to 55%.

The opening of the service has been brought forward from 14 December to 30 November.

The SEISS Grant Extension provides support to the self-employed in the form of two grants, each available for three-month periods covering November to January and February to April.

Grants will be paid in two lump sum instalments each covering a three-month period.

The first grant will cover a three-month period from the start of November until the end of January. The government will provide a taxable grant covering 55% of average monthly trading profits, paid out in a single instalment covering three months' profits, capped at £5,160 in total.

The grant will be increased from the previously announced level of 40% of trading profits to 80% for November. This therefore increases the total level of the grant from 40% to 55% of trading profits for November to January.

The second grant will cover a three-month period from the start of February until the end of April. The UK government will review the level of the second grant and set this in due course.

The grants are taxable income and subject to National Insurance contributions.

Who is eligible?

- To be eligible for the scheme, self-employed individuals, including members of partnerships – must:
- have been previously eligible for the Self-Employment Income Support Scheme first and second grant (although they do not have to have claimed the previous grants)
- intend to continue to trade and either:
 - are currently actively trading but are impacted by reduced demand due to coronavirus
 - were previously trading but are temporarily unable to do so due to coronavirus.

Please search 'Self-Employment Income Support Scheme Extension' on GOV.UK for further information.

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

3.1 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.

VAT – deferred VAT bills from March to June 2020 now have the option to be paid in equal instalments, between March 2020 and March 2021 under this new payment scheme.

3.2 Companies House Filing Extension

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.

3.3 Self-Assessment Tax Payment Deferrals

Payments on account for Self-Assessment Tax Return payments for July 2020 have been deferred and are not due until January 31st 2021. If there is question as to whether you will be able to pay on time, there is the option to apply for a Time to Pay payment plan of up to 12 months. If your tax bill is under £30000 you should be automatically accepted upon application.

4. Business Grants

Businesses required to close in England due to local or national restrictions will be eligible for the following:

For properties with a rateable value of £15k or under, grants to be £1,334 per month, or £667 per two weeks;

For properties with a rateable value of between £15k-£51k grants to be £2,000 per month, or £1,000 per two weeks;

For properties with a rateable value of £51k or over grants to be £3,000 per month, or £1,500 per two weeks.

5. 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.

The program of government backed loans (Bounce Back Loan Scheme, Coronavirus Business Interruption Loan Scheme, and the Coronavirus Large Business Interruption Loan Scheme) were due to close at the end of January 2021, though this is being extended to the end of March 2021.

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 it's 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.

*** Information courtesy of CPAA (Certified Public Accountants Association)**