

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 However, if you think something is outdated or incorrect, please either seek the information directly from the GOV website or contact our office to discuss on 01483 276100.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

Furlough grants currently reside at 80% of the employee's salary for hours not worked, up to a cap of £2500 per month. As under the current CJRS, flexible furloughing will be allowed in addition to full-time furloughing.

Extending the Coronavirus Job Retention Scheme (CJRS) until the end of September 2021: The Government will continue to pay 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month, up to the end of June 2021. For periods in July, CJRS grants will cover 70% of employees' usual wages for the hours not worked, up to a cap of £2,187.50.

In August and September, this will then reduce to 60% of employees' usual wages up to a cap of £1,875. Employers will need to continue to pay their furloughed employees at least 80% of their usual wages for the hours they do not work during this time, up to a cap of £2,500 per month. Employers also need to pay the associated Employer National Insurance contributions and pension contributions on subsidised furlough pay from their own funds. When claiming for periods from 1 May 2021 onwards, eligible employees must have been employed on 2 March 2021 and had a Real Time Information (RTI) submission to HMRC notifying a payment of earnings for that employee by their employer between 20 March 2020 and 2 March 2021.

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

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.

2. Self-employed support schemes (SEISS)

2.2 SEISS second wave

Self-Employment Income Support Scheme (SEISS) Grant Extension

The SEISS Grant Extension provides support to the self-employed in the form of grants, each available for three-month periods covering November to January, February to April and a final grant covering May to September. Grants will be paid in lump sum instalments covering each period above.

The third 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 fourth 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 online system for application will go live at the end of April until May 31st.

The government has also announced that there will be a fifth and final grant covering May to September. You will be able to claim from late July if you are eligible for the fifth grant.

The amount of the fifth grant will be determined by how much your turnover has been reduced in the year April 2020 to April 2021.

The fifth grant will be worth:

- 80% of 3 months' average trading profits, capped at £7,500, for those with a turnover reduction of 30% or more

- 30% of 3 months' average trading profits, capped at £2,850, for those with a turnover reduction of less than 30%

Further details will be provided on the fifth grant 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.

The 'new payment scheme' will launch on February 23rd for those who cannot pay their entire liability in one lump sum. The scheme allows for equal payments to be made, interest free, over a period of up to 11 months. The service opens on the 23rd and closes on June 21st 2021. The later applications are made to join the payment plan, the number of months over which payments can be made will be fewer.

3.2 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.

Following on from the decision to extend the filing deadline for SA to February 28th, HMRC has announced that Self-Assessment customers will not be charged the initial 5% late payment penalty if they pay their tax or make a Time to Pay arrangement by 1 April. The payment deadline for Self-Assessment is 31 January and interest will be charged from 1 February on any amounts outstanding. The deadline has not changed, but this year, because of the impact of COVID 19, HMRC is giving taxpayers more time to pay or set up a payment plan. Payment plans or payments in full must be in place by midnight on 1 April to avoid a late payment penalty.

4. 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. 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.

This includes self-employed people.

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)**