



# HM Government Support for UK Businesses

Guidance for  
Business Owners  
in Troubled Times

# Rishi Sunak

– UK Chancellor of the Exchequer

**“Today I can announce that for the first time in our history, the government is going to step in and help to pay peoples wages.**

**We're setting up a new coronavirus Job Retention Scheme. Any employer in the country, small or large, charitable or non-profit will be eligible for the scheme.**

**Employers will be able to contact HMRC for a grant to cover most of the wages of people who are not working but are furloughed and kept on payroll rather than being laid off.**

**Government grants will cover 80% of the salary of retained workers up to a total of £2500 a month; that's just above the median income, and of course employers can top up salaries further if they choose to.**

**That means workers in any part of the UK can retain their job even if their employer cannot afford to pay them and be paid at least 80% of their salary.**

**The Corona virus job retention scheme will cover the cost of wages back dated to March 1st and will be open initially for at least three months.**

**I will extend the scheme for longer if necessary. I'm placing no limit on the amount of funding available for the scheme.”**

- 20<sup>th</sup> March 2020



# Coronavirus Job Retention Scheme

**For any employee who is furloughed (has no work provided to them by their employer) due to Coronavirus, the Government will pay the employer 80% of their gross salary up to a maximum of £2,500 for the month, and for 3 months.**

Application must be made to the HMRC for this Grant through a new portal for employees furloughed.

The statement from the Chancellor does not make clear whether for cases of sickness or government-imposed isolation, whether this scheme applies in addition to the SSP scheme.

We will wait for the legislation to come out and clarify this further.



# SSP (Statutory Sick Pay)

**The Government will pay £94.25 per week SSP from the first day of sickness for two weeks.**

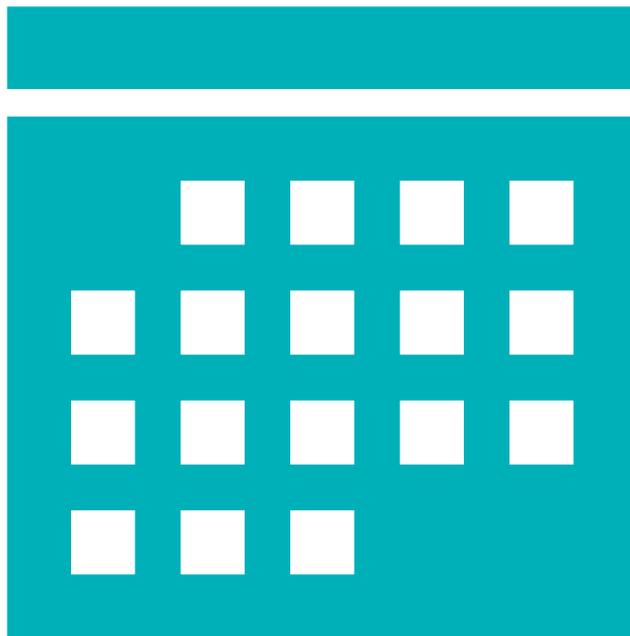
This amount can then be recovered in full by the Employer by way of deduction from their monthly PAYE liability.

Although HMRC are working on a scheme whereby this can be recovered direct.



# Time to Pay

**If any business is unable to pay any of its liabilities to HMRC, then they can apply to HMRC for time to pay.**

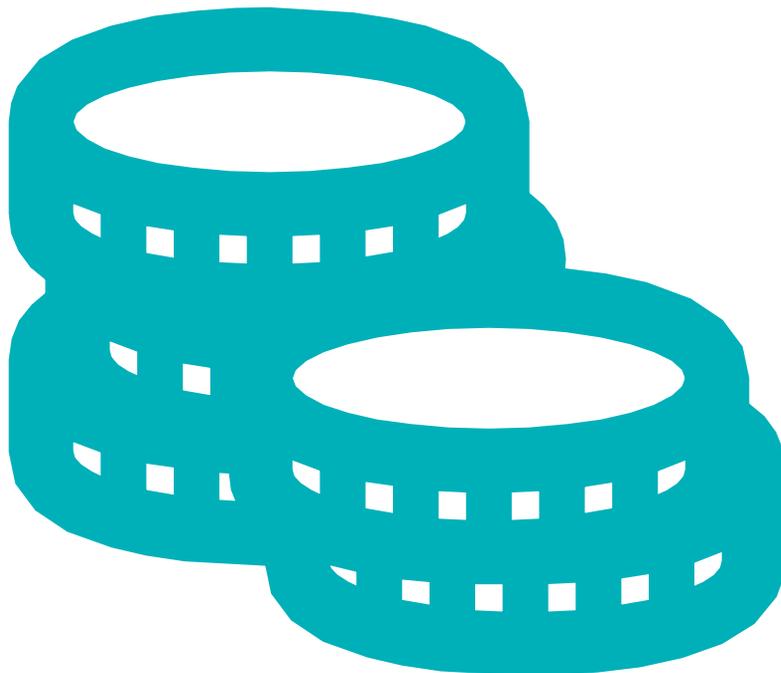


# VAT Payments

**VAT liabilities for the periods ending March, April, or May will not have to be paid until the end of the calendar year.**

This is an automatic offer and no applications are required.

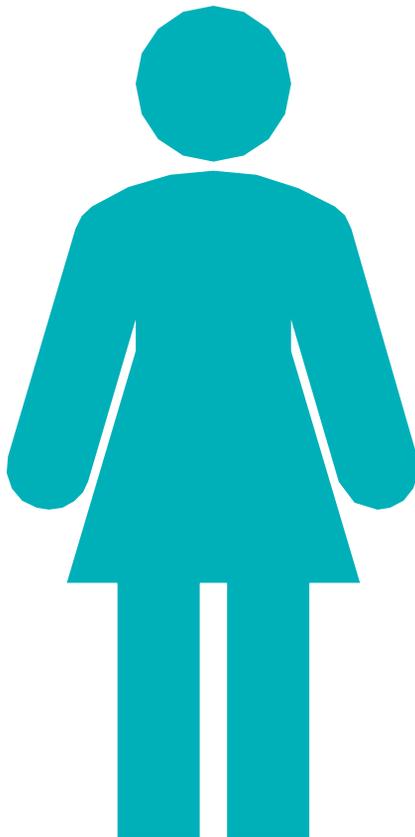
If you qualify for VAT refunds and reclaims, these will be paid by the Government as usual. The VAT Returns themselves still need to be filed, it is only the payments that can be delayed.



# Personal Income Tax Payments

Anyone due to pay a Self-Assessment liability in July will no longer have to pay it, but instead can wait until January 2021 to pay.

No Interest and penalties will be charged, this is automatic, and no applications are required.



# Mortgage Holiday

**The Banks have been instructed to offer a three-month mortgage holiday to anyone unable to pay due to the Coronavirus.**

Before rushing into this option, please remember that by opting for this offer the capital repayments and interest will be added and compounded onto future repayments.

So, this option will save you cashflow but lose you money.

The Banks have been inundated with calls on this and most are setting up an on-line application facility.



# Business Grants

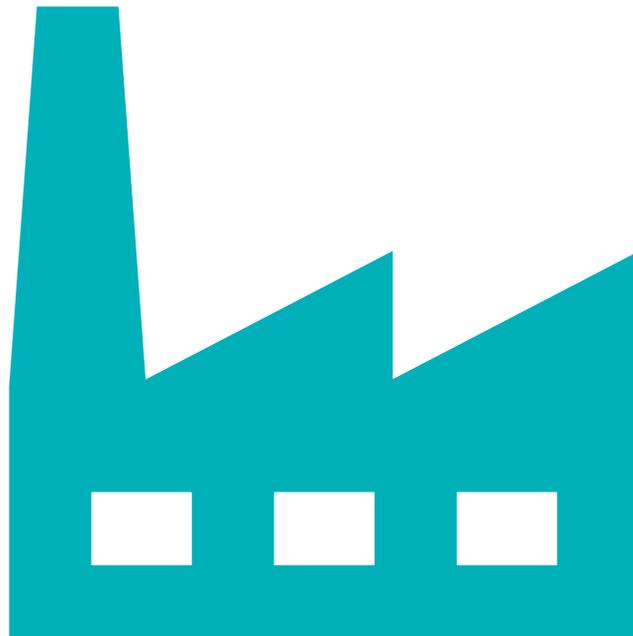
**Local Authority Councils have been instructed by the Government to make a £10,000 grant available to any small business who qualifies for Rural Rates Relief or SBRR (Small Business Rates Relief).**

This SBRR is normally provided to businesses with premises with a Rateable value of £15,000 or less. The council should be in contact with you in April if you qualify for this.

We advise you to make a diary note to contact them if you haven't heard anything by the end of April.

If you work from home or pay Business Rates, then you will probably not qualify for this.

Grants of £25,000 for those in Leisure, Hospitality and Retail with premises with rateable values of between £15,000 and £51,000 are also available.



# Coronavirus Business Interruption Loan Scheme

**This is administered by your business Bank, so discuss this with them.**

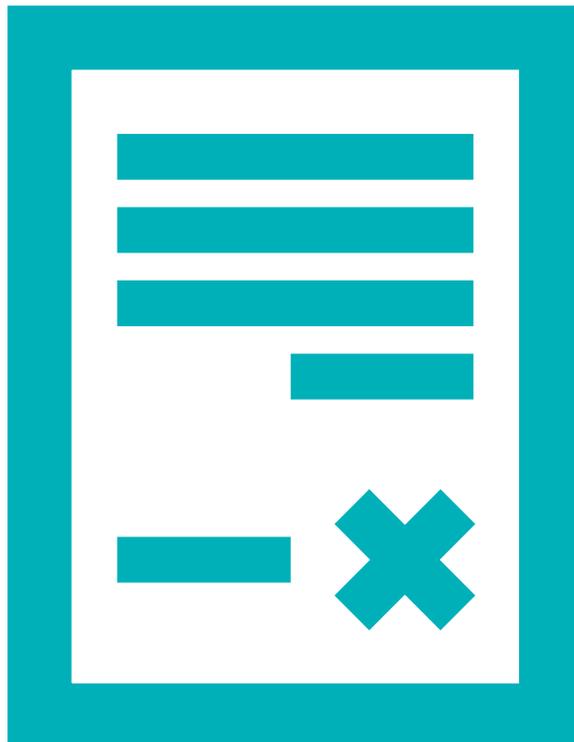
No interest is payable for the first year.

If you have an existing loan with monthly repayments, you may want to ask for a repayment holiday to help with cashflow.



# Business Interruption Insurance

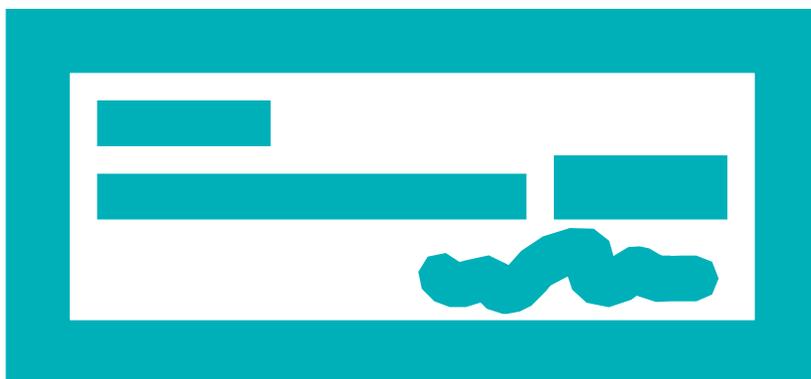
**Check your business Insurance Policy to see if it covers you for Business Interruptions like Coronavirus, then contact your Insurance company or Broker to see how they can help you in your situation.**



# Rates Relief for 12 Months

**No Rates to be paid by businesses in the Hospitality, Retail, Leisure, and Nursery businesses.**

You do need to apply for this, and it will then be applied by the Council in your April 2020 bill automatically.



# Rental Payments

**No Landlord will be allowed to start proceedings to evict a Tenant until after the space of time of three months.**



Further details of the Government's extraordinary measures including grants, interest free loans and VAT deferrals etc. and how these can be accessed are available on the HMRC website.

## Support for Businesses

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid19/covid-19-support-for-businesses>

## Guidance for Employees

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid19/covid-19-guidance-for-employees>