



We trust everyone remains well and hope that you have all been able to take advantage of the further easing of restrictions of lockdown in the last few weeks.

COVID-19 BUSINESS SUPPORT: END OF JULY UPDATE

There are two updates this week to be aware of:

1. **CORONAVIRUS JOB RETENTION SCHEME [CJRS] for furloughed workers - Changes to the scheme from 1 August 2020**
2. **SELF EMPLOYMENT INCOME SUPPORT SCHEME [SEISS] – Application date confirmed as Monday 17 August 2020**

We also have included a summary of key dates to act as a reminder for the coming weeks and months ahead to allow for more medium-term planning to be undertaken.

1. JOB RETENTION SCHEME – CHANGES TO THE SCHEME FROM 1 AUGUST 2020

From 1 August 2020, the level of the CJRS will be reduced each month – the major dates and changes are listed in the summary of key dates below. As a reminder, to continue to be eligible for the grant, employers must continue to pay furloughed employees 80% of their wages, up to a cap of £2,500 per month for the time they are being furloughed. Gradually, the amount of grant will be reduced, but the payment to the furloughed employee **must** remain the same. If this drops for any reason, the grant will be discontinued by the government. The idea of the gradual reduction is that businesses will now start to share some of the costs of furlough, and this will be done slowly so as not to cause major impacts on cash flow.

From 1 August, no grant will be available for Class 1 Employer National Insurance contributions (Er NI) or pension contributions; these contributions will instead **remain payable by the employer directly**. Per workings from HMRC, this should only amount to approximately 5% of the monthly payroll costs at the current time, so should not cause any major impacts to businesses just yet. Payroll operations and Furlough Claims are to be made as normal during August, but the amount coming back from HMRC in August will be slightly less for this period.

2. SELF EMPLOYED INCOME SUPPORT SCHEME – SECOND GRANT APPLICATION DATE

The next round of the SEISS is scheduled to commence on **Monday 17 August 2020**. Applicants apply exactly the same way as previously, either by the Government Gateway or by alternative telephone helpline number which remains operational at the time of writing. The grant is now restricted to 70% on average profits, so the financial support will be less this time around – the simplest way of calculating approximately what you would be entitled to is to divide the first grant by 8 and multiple this figure by 7. For example, if the first grant was £1,000, the second grant will be worth approximately £875 [$£1,000 / 8 = £125$; $£125 \times 7 = £875$]

Applications for the first grant closed during July, but it should be emphasised that a self-employed individual can claim the second grant even if they missed the deadline or opted not to take the first one. The qualification criteria remains the same however, so if an individual did not qualify for the first grant, they will also be ineligible for the second. The deadline for making a claim for the second SEISS grant is Saturday 17 October 2020.

COVID-19 BUSINESS SUPPORT – REMAINING KEY DATES

To summarise the position, please find below a summary of key dates for the next few months in relation to the Covid-19 Business Support initiatives. Dates may be subject to slight alteration as policies are tweaked going forwards, but these are correct at the time of writing:

31 July 2020	CJRS	Final date to submit claims for the CJRS for furlough periods ending on or before 30 June 2020
1 August 2020	CJRS	Government will continue to pay 80% of wages up to £2,500 under CJRS, however, employers will be required to pay NICs and pension contributions
3 August 2020	Eat Out	Government discount on eating out at participating restaurants commences (Mondays, Tuesdays & Wednesdays only)
17 August 2020	SEISS	Second SEISS Grant opens for applications – Qualifying individuals will need to apply exactly the same way as the first grant
26 August 2020	Eat Out	Government discount on eating out at participating restaurants ceases
1 September 2020	CJRS	CJRS grants taper down to 70% of employee wages, capped at £2,187.50 per month. Employers will have to pay 10% to ensure furloughed employees continue to receive 80% of wages, capped at £2,500 in order to still qualify for the scheme
1 October 2020	CJRS	CJRS grants taper down to 60% of employee wages, capped at £1,875 per month. Employers will have to pay the other 20% to ensure furloughed employees continue to receive 80% of wages, capped at £2,500
17 October 2020	SEISS	Final date for second SEISS grant applications in order to still qualify for the scheme
31 October 2020	CJRS	End of CJRS for furloughed workers
4 November 2020	BBLs	Final date for applications to the Bounce Back Loan scheme and the Coronavirus Business Interruption Loan Scheme
30 November 2020	CJRS	Final date to submit claims to the CJRS for October
12 January 2021	VAT	End of temporary reduced rate 5% VAT charge for hospitality and accommodation industry
31 January 2021	SA	Due date for deferred Self-Assessment payment on account from 31 July 2020
1 February 2021	CJRS	£1,000 Job Retention Bonus due for every staff member returned from furlough that is still in continuous employment, subject to conditions
31 March 2021	VAT SDLT	Deadline for VAT payments deferred between March and June 2020 Stamp Duty Land Tax thresholds revert to previous regime, with the Threshold dropping from £500,000 to £125,000

As per usual, please do not hesitate to contact us if you have any questions regarding the above or anything further relating to the government's Covid-19 business support initiatives. Your primary contact or our Covid-19 Business Support Co-ordinator, Russell Nash [russell@butler-co.co.uk] remain available across the working week to answer any queries arising.

Our Alresford Office has reopened to clients by appointment only, although not every member of the team is available each day. Please contact us via telephone or e-mail if you would like to arrange a time to come in and speak to someone face-to-face regarding any of the above.

Please do contact us as soon as possible should you require any further assistance.

Best regards and Stay Well