Once again, we hope everyone is keeping positive and staying well as August draws to a close.

COVID-19 BUSINESS SUPPORT: LATEST UPDATE

There are two main updates this week for everyone's attention. These are:

1. **SELF-EMPLOYED INCOME SUPPORT SCHEME: SECOND ROUND – NOW OPEN**
2. **CORONAVIRUS JOB RETENTION SCHEME – SEPTEMBER 2020 CHANGES**

1. Self-Employed Income Support Scheme [SEISS]: Second Round
The SEISS second round is now **open,** and some clients have already received their grant payments.

This support scheme is open until Monday 19 October 2020, so there is still plenty of time to apply – applications by those eligible should be made via the Government Gateway access system. Anyone with any questions relating to this should contact us sooner rather than later, in order that we can resolve any questions while time is still on our side.

NB: This is the last assistance payment that has currently been announced and confirmed by the government for self-employed individuals, after this no further grant payments are scheduled. If cashflow becomes a problem following the payment of the second grant, the recommended path is to investigate the Bounce Back Loan scheme where the government pays for the first year's interest on the business' behalf – this ends on Wednesday 4 November 2020 therefore all applications need to be made before then if you wish to use this scheme. If any further support programmes are announced by the Treasury, we will of course let everyone know as soon as details are confirmed.

2. Coronavirus Job Retention Scheme – September 2020 changes
From 1 September 2020, the government will **only pay 70% of wages** up to a cap of £2,187.50 for the hours the employee is on furlough. Employees still <u>**have to be paid 80%**</u> of their total salary whilst on furlough, meaning that businesses now have to make up the 10% top up, as well as NICs and pension contributions that have been paid during August. This also extends to those on Flexible Furlough – the days or hours not worked still need to be paid at 80%, whilst the government contribution will remain at 70%.

For example, if an employee earns £2,500 fixed salary and is still fully on furlough, they will still have to be paid £2,000 (80%) for September 2020. However, whereas the government furlough payment would have been £2,000 earlier in the year, for this month they will now only pay out £1,750 (70%). The remaining £250 has to be met by the employer. Employers NI and Employer Pension Contributions will also have to be met by the Employer in this example, as was the case in August.

NB: If employees have their wages reduced to 70% in line with the government payment, the business involved <u>will become ineligible</u> for the scheme and will no longer be entitled to any furlough payments from the government, for both September and October, the last months of the furlough scheme. The top-up is therefore mandatory, and it is vitally important that this is paid to the employee - anyone treating this as optional will have furlough payments to their business stopped.

From 1 October 2020 - as a reminder - the furlough payment drops again to 60% of salary, before ceasing entirely from 1 November 2020 per the current schedule issued by the Government. Businesses using the CJRS should be planning now for all employees coming back on to the payroll in full at the beginning of November at the latest, and the increased expenses this will cause. If the programme is extended at any stage, we will confirm the details as soon as they are announced.

As in previous updates, please do not hesitate to contact us if you have any questions regarding the above, or any other queries relating to the government's Covid-19 business support initiatives. The Covid-19 Business Support Co-ordinator, Russell Nash [russell@butler-co.co.uk] remains available, alongside your regular primary contact(s), across the working week to answer any questions you may have.

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

Best regards and Stay Well