



As ever, from all the team at Butler & Co, we hope everyone is staying well and keeping positive, despite the latest lockdown now entering its second month.

COVID-19 BUSINESS SUPPORT: FEBRUARY UPDATE

While the government has not announced any new updates recently, we thought it worth briefly restating all the available assistance schemes currently remaining available. More details on specifics of any of the below schemes are available on request.

1. JOB RETENTION SCHEME for Furloughed Workers

The furlough scheme currently remains in place, with the present cessation of the scheme given as 30 April 2021, although it is understood a programme extending into the summer in some form is expected.

The scheme pays 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month.

Any entity with a UK payroll can apply, including businesses, charities, recruitment agencies and public authorities.

You can only claim for furloughed employees that were employed and on the payroll on **30 October 2020**. This means you must have made a PAYE RTI submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.

Who can claim: Employers who have created and started a PAYE payroll scheme on or before 30 October 2020; have enrolled for PAYE online; and a UK, Isle of Man or Channel Island bank account.

2. STATUTORY SICK PAY REBATE SCHEME

An employer can claim back up to 2 weeks of Statutory Sick Pay (SSP) if:

- The employer has already paid the employee's sick pay;
- The employer is claiming for an employee who is eligible for sick pay due to coronavirus;
- The employer has a PAYE payroll scheme that was created and started on or before 28 February 2020;
- The employer has fewer than 250 employees on 28 February 2020 across all PAYE payroll schemes registered in their name.

Employees do not have to provide a doctor's fit note to support the claim. The weekly rate that can be recovered is £95.85, and all claims must be made using the online portal.

At present, this scheme has no cessation date and will run in perpetuity.

Who can claim: Any business with a payroll scheme registered before 28 February 2020 and with less than 250 employees

3. SELF-EMPLOYMENT INCOME SUPPORT SCHEME (SEISS)

The third round of the SEISS closed for applications on Friday 29 January 2021. No further claims can be made for this period.

The government has announced a fourth round of SEISS grants and will announce further details on Wednesday 3 March 2021. It remains to be seen exactly what the terms and conditions of the next grant will be, but it is anticipated that they will broadly follow conditions from the previous rounds.

NB: The announcement of the next round takes place after fines and penalties are to be imposed by HMRC on 2019/20 self-assessment tax returns. While we do not know for sure, it is highly likely the fourth round of the grant will factor in the financial data included on the 2019/20 tax return. If anyone has not yet completed their tax return for 2019/20 or are not in the process of having this completed, we strongly suggest that this is made a priority, particularly if you intend to claim for the fourth round of the SEISS.

Who can claim: This will be confirmed by the announcement on 3 March 2021 but is likely to be similar to those who claimed the previous versions of this support grant.

4. UNIVERSAL CREDIT (UC)

For those struggling for available funds between now and the next SEISS grant in March, Universal Credit remains available and can be applied for via telephone or online. We would recommend making any applications by telephone on **0800 328 5644** - ignoring any recorded messages about completing online.

The UC agents will go through what an individual is entitled to claim for and from when – this has been found by others making the application to be much easier than the automated route; and the agents can suggest other credits that can be claimed alongside the basic rate of UC. Lines are open 8am to 6pm Monday to Friday, with the quietest times being 8am – 9am each morning.

Who can claim: Any individual that is currently struggling to cover living expenses and has suffered a drop in income either from their business, or by being made redundant etc.

5. BUSINESS RATE HOLIDAYS

Business rate holidays are to continue until 31 March 2021, but at present there is no published plans to extend this support strategy beyond this date. On the basis that payments will be required, businesses that pay rates should start planning now in relation to meeting these costs, and potentially open a dialogue with their local authorities to ensure that they are kept up to date with how paying rates will be administrated from April 2021 onwards.

Who can claim: Eligible business will have been notified by their local authorities.

6. LOCAL AUTHORITY SUPPORT GRANTS

Local Authority support grants remain available, with most of central government funding now being provided this way.

Given that different Local Authorities have different criteria as to what is available to who, the advice remains to contact this body and find out directly what is available and how to apply for

this. Amounts also vary from area to area, as different places prioritise different industry sectors.

Time Limits vary depending on the type of grant applied for and the local authority administering the scheme; we therefore recommend applying as a matter of **immediate** priority, to ensure deadlines are not missed.

Examples of the grants that are available at present include:

- **Local Restrictions Support Grant (Closed Businesses)** – for businesses instructed to close or switch from in-person services to other methods (e.g. takeaways) by the lockdown measures.
- **Additional Restrictions Grant** – for businesses remaining open in some form and therefore not eligible to apply for either of the Local Restrictions Support Grant

Local authorities are also to receive an extra £500m to support businesses who are adversely affected by the current lockdown restrictions but not been eligible to claim anything so far; further details are to be released in the coming weeks.

Who can claim: This is dependent on the individual local authority involved and the industry sector a business is located within. Direct communication with specific local authorities is **essential** in order to claim these grants.

7. BOUNCE BACK LOANS

Bounce Back Loans remain available until **31 March 2021** from a number of approved providers, both with High Street lenders and via online operations. These loans are interest free for the first year, with a maximum amount of borrowing available set at £50,000 or 25% of last reported turnover, whichever amount is lower.

The Bounce Back Loan can be topped up to the 25% or £50,000 threshold, if a business did not take the full amount on the initial application, up until the deadline date for applications – for example, if a business had annual turnover of £150,000 prior to the pandemic, but only took a £10,000 Bounce Back Loan initially, there would be an additional amount of £27,500 that could be borrowed if cashflow was becoming tight or the business needed a cash reserve for the next few months.

Who can claim: UK Businesses established before 1 March 2020 who have been adversely affected by the pandemic.

8. TIME TO PAY OPTIONS FOR PERSONAL TAX LIABILITIES

HMRC have made provision to offer a payment plan that allows an individual to pay personal tax liabilities in instalments, over a period of up to 12 months.

To be eligible to set up an online payment plan, the taxpayer must:

- have filed a valid 2019-20 self-assessment tax return;
- owe £30,000 or less in total;
- have no other tax debts; and
- have no other HMRC payment plans currently set up

Interest will be charged on the amount owed until the liability is settled.

This service is available within 60 days of the payment deadline; therefore, we understand this option will be available up to and including 31 March 2021.

Who can claim: Any individual taxpayer that meets the terms of the scheme may set up a payment plan.

We hope you find the above summary useful. As ever, please do not hesitate to contact us if you have any questions regarding any of the points mentioned above. 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 anything arising – while the Alresford office is currently home to skeleton staff, the full Butler & Co team are still working from home and are able to answer any questions or queries you may have.

Best regards and stay well