

# CORONAVIRUS GOVERNMENT SUPPORT FOR BUSINESS

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Since the onset of the Coronavirus crisis the UK government has introduced a number of packages of support to help businesses. From support to pay your employees, staff and yourself, to grants and loans plus tax deferral schemes.

This document summarises the key support available to businesses of all sizes - SMEs, the self-employed and also larger businesses.

The government has also developed a helpful online tool for businesses to find out exactly what support is available to them and to then apply for the support they need. You can access this helpful tool here:

Government Business Coronavirus Support Finder: <https://www.gov.uk/business-coronavirus-support-finder>

The links in this guide go to the main government UK site so please ensure you use the Welsh version if the relief you are looking at is particular to Wales.

If you have any questions or require any support then please do email any of your Graham Paul contacts or you can email us on [cvjrs-claims@grahampaul.com](mailto:cvjrs-claims@grahampaul.com) and we will get back to you.

## CORONAVIRUS GOVERNMENT SUPPORT FOR BUSINESS

### Support to pay your employees / staff / yourself

#### Coronavirus Job Retention Scheme (CJRS) – Furloughing workers

If you are an employer with a PAYE scheme, you should be able to access support to continue paying part of your employees' salary instead of laying them off.

This applies to employees who have been asked to stop working because of coronavirus, but are being kept on the payroll. They are known as 'furloughed workers'. HMRC will pay 80% of their wages, up to £2,500 per month.

[Check if you are eligible for the Coronavirus Job Retention Scheme](#)

- On 29<sup>th</sup> May the Chancellor announced some changes to the CJRS.
- From **30<sup>th</sup> June** the existing CJRS scheme will be closed and replaced by a new flexible scheme from **1<sup>st</sup> July**, allowing workers to work part-time and a claim to be made for non-working days.
- This means that **workers must be furloughed by no later than 10<sup>th</sup> June** in order to make a valid claim under the existing scheme.
- The maximum number of people being furloughed pre 30 June is the maximum after 1 July.
- **From August onwards**, employers will be required to fund employer's NIC and pensions costs of furloughed wages (approximately 5% of the current grant).
- **In September** the CJRS grant will reduce to 70% of wages, with employers required to pay the other 10%.
- **In October** the CJRS will reduce to 60% of wages, with employers required to pay the other 20%.
- The overall **scheme will run until 31<sup>st</sup> October 2020**.

#### Statutory Sick Pay rebate

Employers can reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. This scheme will cover up to 2 weeks of SSP for every eligible employee.

You are eligible if your business meets both of the following requirements. Your business is:

- UK based
- small or medium-sized and employs fewer than 250 employees as of 28 February 2020

[Claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\)](#)

- Employers must maintain records of staff absences and payments for SSP. Employees will not have to provide a GP fit note.

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### Self-Employment Income Support Scheme (SEISS)

If you are self-employed (either as an individual or in a partnership), you could claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month, for 3 months covering March to May 2020. This was extended and amended by the Chancellor on 20<sup>th</sup> May (see notes to the right). Eligibility criteria are unaltered.

You may be eligible for this scheme if:

- you've lost profits due to coronavirus
- you've submitted your Self Assessment tax return for 2018 to 2019 tax year
- you traded in 2019 to 2020 tax year
- you are trading when you apply, or would be except for coronavirus
- you intend to continue trading in 2020 to 2021 tax year
- your trading profits have been no more than £50,000 for either 2018 to 2019 tax year, or as an average of last 3 financial years
- your trading profits have been more than half of your total income for either 2018 to 2019 tax year, or as an average of last 3 financial years

Trading profits do not include dividends paid from your own company to yourself.

[Claim a grant through the Self-Employment Income Support Scheme](#)

- On 29<sup>th</sup> May the Chancellor announced some changes to the SEISS.
- **SEISS has been extended** for a further 3-months (1<sup>st</sup> June to 31<sup>st</sup> August).
- The grant rate has been reduced to 70% of income or a maximum of £6,750.
- Please note that SEISS is only available to the self-employed. **Limited company directors are not considered self-employed.**
- If you are not eligible for Self-Employment Income Support Scheme, you may be eligible for [Universal Credit](#) or [Employment and Support Allowance](#).

<b>Support with payment of taxes / rates</b>	
<p><b>Deferring VAT</b></p> <p>If you're a UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to defer payment until 31 March 2021.</p> <p><a href="#">Check if you are eligible to defer your VAT payment</a></p>	<ul style="list-style-type: none"> <li>• What this means is that you can defer the payment of your VAT payment due between 20<sup>th</sup> March and 20<sup>th</sup> June 2020.</li> <li>• You MUST however submit your VAT return as usual.</li> <li>• If you defer the payment, you must pay the VAT due to HMRC by no later than 31<sup>st</sup> March 2021.</li> <li>• You DO NOT need to contact HMRC to exercise this deferment. You will not be chased for payment.</li> <li>• This is particularly helpful to businesses needing a cash boost now and can be used to aid your cashflow in the short term.</li> <li>• If you normally pay VAT by direct debit and you decide to defer the payment, remember to cancel the direct debit payment with your bank.</li> </ul>
<p><b>Deferring Self Assessment payments on account</b></p> <p>If you are due to pay a Self Assessment payment on account by 31 July 2020, you can defer payment up until January 2021. You will not be charged any interest or penalties during the deferral period.</p> <p>You do not need to be self-employed to be eligible for the deferment.</p> <p><a href="#">Check if you are eligible to defer your Self Assessment payment on account</a></p>	<ul style="list-style-type: none"> <li>• This is an automatic offer. You do not need to apply for the deferral or tell HMRC.</li> <li>• If you normally pay by Direct Debit you should contact your bank to cancel your Direct Debit as soon as you can. You do not need to contact HMRC before doing this.</li> <li>• The deferment is optional. If you are still able to pay your second payment on 31 July, you should do so.</li> </ul>
<p><b>Support for businesses paying tax: Time To Pay Service</b></p> <p>You may be eligible if you are a UK business that:</p> <ul style="list-style-type: none"> <li>• pays tax to the UK government</li> <li>• has outstanding tax liabilities</li> </ul> <p><a href="#">If you cannot pay your tax bill on time</a></p>	<ul style="list-style-type: none"> <li>• If you cannot pay your tax bill on time because of coronavirus, you may be able to delay it without penalty using HMRC's Time to Pay service.</li> </ul>

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<p><b>Support for nursery businesses that pay business rates</b></p> <p>Nurseries in Wales may not have to pay business rates for the 2020 to 2021 tax year. Your council will do this automatically.</p> <p><a href="#">Check if your nursery is eligible for business rates relief due to coronavirus (COVID-19)</a></p>	<ul style="list-style-type: none"><li>Local authority-run nurseries are not eligible.</li></ul>
<p><b>Business rates holiday for retail, hospitality and leisure</b></p> <p>Businesses in the retail, hospitality and leisure sectors in Wales may not have to pay business rates for the 2020 to 2021 tax year.</p> <p>You're eligible if your property is a:</p> <ul style="list-style-type: none"><li>shop</li><li>restaurant, café, bar or pub</li><li>cinema or live music venue</li><li>assembly or leisure property - for example, a sports club, a gym or a spa</li><li>hospitality property - for example, a hotel, a guest house or self-catering accommodation</li></ul> <p>The rateable value of the property must be less than £500,000 to be eligible.</p> <p><a href="#">Check if your retail, hospitality or leisure business is eligible for business rates relief due to coronavirus (COVID-19)</a></p>	<ul style="list-style-type: none"><li>You do not need to do anything. If you are eligible, your local council will apply the discount automatically.</li></ul>

### Access to funds / money – grants and loans

#### Small Business Grant Funding

You may be eligible for a one-off grant of £10,000 if you are a small business that already pays little or no business rates because of:

- small business relief (SBBR)
- rural rate relief (RRR)
- tapered relief

Eligibility also depends on the type of business, and the rateable value of the premises being less than £12,000.

You may be eligible if:

- your business is based in Wales
- in receipt of small business rate relief or rural rate relief as of 11 March 2020
- you are a business that occupies a property

[Coronavirus: business support grant funding guidance for businesses](#)

- These grants were paid out to eligible businesses in late March / early April.
- Contact your local council if you think you are eligible for a grant but have not yet received it.

#### Business rates holiday for retail, hospitality and leisure

Business in these sectors in Wales may be eligible for a one-off grant of £25,000.

Eligibility depends on the type of business and the rateable value of the property must be between £12,001 and £50,000 to be eligible.

- These grants were paid out to eligible businesses in late March / early April.
- Contact your local council if you think you are eligible for a grant but have not yet received it.

## CORONAVIRUS GOVERNMENT SUPPORT FOR BUSINESS

### Coronavirus Business Interruption Loan Scheme

If you are a small to medium-sized business (SME) you may be able to apply for a temporary loan, overdraft, invoice finance and asset finance of up to £5 million, for up to 6 years.

You may be eligible for this scheme if you meet all of the following criteria:

- your business is UK-based, with a turnover of no more than £45 million per year
- you have a borrowing proposal which would be considered viable by the lender, if not for the current pandemic
- you can self-certify that coronavirus (COVID-19) has adversely impacted your business

[Apply for the Coronavirus Business Interruption Loan Scheme](#)

- Self-employed people are also eligible for Coronavirus Business Interruption Loan Scheme.
- You may also be eligible for Business Interruption Payment to cover the first 12 months of interest payments and any lender fees. The government will give lenders 80% guarantee on each loan (subject to pre-lender cap on claims).

## CORONAVIRUS GOVERNMENT SUPPORT FOR BUSINESS

<p><b>Coronavirus Large Business Interruption Loan Scheme (CLBILS)</b></p> <p>The Coronavirus Large Business Interruption Loan Scheme (CLBILS) provides a government guarantee of 80% on each loan, to give banks further confidence in financing businesses impacted by coronavirus.</p> <p>It allows banks to make loans of:</p> <ul style="list-style-type: none"> <li>• up to £25 million to businesses with an annual turnover of £45 million to £250 million</li> <li>• up to £50 million to businesses with an annual turnover of over £250 million</li> </ul> <p>You can apply for this loan if your business:</p> <ul style="list-style-type: none"> <li>• is UK based</li> <li>• has an annual turnover of at least £45 million</li> <li>• meets the other British Business Bank eligibility requirements</li> </ul> <p><a href="#">Apply for the Coronavirus Large Business Interruption Loan Scheme</a></p>	<ul style="list-style-type: none"> <li>• The scheme is delivered through commercial lenders, supported by the Government-backed British Business Bank. Facilities backed by a guarantee under CLBILS are offered at commercial rates of interest.</li> </ul>
<p><b>Coronavirus Bounce Back Loan (CBILS)</b></p> <p>If your small to medium-sized business (SME) is affected by coronavirus, you may be able to borrow between £2,000 and £50,000 through a Bounce Back Loan scheme.</p> <p>You may be eligible for this scheme if your business:</p> <ul style="list-style-type: none"> <li>• has been negatively affected by coronavirus</li> <li>• was not an 'undertaking in difficulty' on 31 December 2019</li> </ul> <p><a href="#">Apply for a Coronavirus Bounce Back loan</a></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• This includes self-employed people.</li> </ul>

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### Summary table

What	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Notes
	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-21	-21	-21	
<b>Support to pay your employees / staff / yourself</b>														
Coronavirus Job Retention Scheme (CJRS)														Scheme operating on reduced basis from July 2020. Ends on 31 <sup>st</sup> October.
Statutory Sick Pay Rebate														No current end date for scheme.
Self-Employment Income Support Scheme (SEISS)														Scheme initially introduced for 3 months and then extended for a further 3 months.
<b>Support with payment of taxes / rates</b>														
Deferring VAT														VAT due between 20 March and 30 June can be deferred until 31 March 2021. You must still submit your return.
Deferring Self-Assessment payments on account														Self-Assessment payments due by 31 July can be deferred until 31 January 21
Support for businesses paying tax: Time to Pay Service														If you cannot pay your tax bill due to coronavirus you may be able to delay to without penalty. You must apply to HMRC.
Support for nursery businesses that pay business rates														Nurseries in England do not have to pay business rates for the 2020 to 2021 tax year.
Business rates holiday for retail, hospitality & leisure														Businesses in the retail, hospitality and leisure sectors in England will not have to pay business rates for the 2020 to 2021 tax year.
<b>Access to funds / money – grants &amp; loans</b>														
Small Business Grant Funding														You may be eligible for a one-off grant of £10,000 if you are a small business that already pays little or no business rates
Coronavirus Business Interruption Loan Scheme														If you are a SME or are self-employed you may be able to apply for a temporary loan,
Coronavirus Large Business Interruption Loan Scheme														Large businesses (over £45M t/o) can apply for an 80% government backed loan.
Coronavirus Bounce Back Loan														SMEs can apply to borrow up to £50k. the loan is 100% guaranteed by the government and has no interest for the first 12 months.