

- HMRC will reimburse 80% of furloughed workers wage costs, a total capped at £2,500 per month. It does seem that the employer has a choice whether to make payment of the other 20% to the employee. HMRC are working urgently to set up a system for reimbursement because the existing systems are not able to facilitate payments to employers.
- The employer can claim the wages for a furloughed worker and backdate it to 1 March 2020.
- HMRC have indicated that they may be able to accept claims sometime in early April but it is unlikely that they will be in a position to make those claims until the end of April – but this is purely conjecture at the moment.
- The 80% of the furlough workers' wages costs, that HMRC will reimburse, will be based on payroll figures – this is likely to be a disadvantage to those directors and employees that have been receiving a low salary topped up with a dividend.

There are various points that are still unclear including:-

- Whether the Employers Class 1A NIC is to be paid over to HM Revenue & Customs – you may recall that the Employers NIC is 13.8% of the gross salary and payable each month to HMRC.
- We assume that the gross wage that will be paid back by HMRC to the employer will then enable the employer to calculate the wages, pay the net wage to the employee and then pay the employees PAYE and Employers NI back to HMRC.
- We are unclear as to whether the employer still has the obligation to pay the employees auto enrolment pension contribution which is currently 5% of the gross wage of those employees who have not opted out.
- If an employee does reduced hours during the course of the working week, whether the employer can claim for those hours that the employee didn't work – quite possibly that will NOT be the case.
- Those on zero hours contract

Support for businesses

You are advised to Google “Covid-19: support for businesses-GOV.UK “ or click on the link www.gov.uk/guidance-to-employers-and-businesses-about-covid-19

- The government will provide lenders with a guarantee of 80% on each loan to give lenders confidence in continuing to provide finance to SMEs.
- The government will pay the first 12 months interest and any fees levied by the lender.

- The scheme is being delivered through commercial lenders backed by the British Business Bank.
- You must check about personal guarantees against the loan before signing any paperwork.
- Please do not hesitate to contact us if you want to discuss the bank's conditions.

The links will tell you about:-

- Deferring your VAT payment - [available](#) for payments to be made from 20 March 2020 to 30 June 2020. Traders/ businesses will have until 5 April 2021 to settle the VAT liability. It is unclear at the moment whether HMRC will impose an interest charge
- Deferring the 31 July 2020 contracted payments – largely benefiting self-employed people and those directors or employees who may receive large dividends and have six monthly tax payments.
- Statutory sick pay relief package for small and medium size businesses (SMEs).
 - 12 month business rate holiday for all retail, hospitality, leisure and nursery businesses in England,
 - Small business grant funding of £10,000 - you will need to contact your local authority as this will be paid through them for all business in receipt of small business rate relief.
- Grant funding of £25,000 - you will need to contact your local authority as this will be paid through them for retail, hospitality and leisure businesses who have property with a rateable value between £15,000 and £51,000.
- A CoronaVirus Interruption Loan scheme offering up to £5m to SMEs through lenders.
- A new lending solution through the Bank of England to help support liquidity among larger firms, helping them bridge Corona Virus disruption to their cash flows through loans.

The HMRC time to pay scheme – the eligibility for this would be:-

- If the business pays tax to the UK government.
- Has outstanding tax liabilities.

Then HMRC have a dedicated helpline for those who may not be able to make payments due to COVID-19, on 0800 0159559.

Companies House filing deadline

It seems that Companies House will accept an application for accounts to be filed late, if the reason stems from effects of the CoronaVirus. Details are a little sketchy at the moment.

Insurance policy

Please ensure you check your insurance policy whether you will be covered for loss of earnings/business interruption – businesses that have cover for both pandemic and government-ordered closure should be covered; although we suspect most businesses are unlikely to have that Clause, as standard business interruption insurance policies are dependent on damage to a property and will exclude pandemics.

The government have been very generous in what they have done so far; the details regarding all the issues are being unravelled on a day to day basis.

We believe there is to be an announcement at 5 pm each day.

Self-Employed

- We are waiting to receive details on any assistance that the government might be giving to self-employed traders, although they have already stated that self-employed traders who are affected by the CoronaVirus or have been told to self-isolate are able to claim for statutory sick pay from day one in the same way employees can. Self-employed people can also make a claim for Universal Credit, although you must make sure that it doesn't affect any Child Tax Credits that might be claimed.

Mortgage Payments

Borrowers can apply for a 3-month moratorium on mortgage payments.

Kind regards and keep safe,

Elliot