

This guidance is taken directly from Gov.uk and is correct as at 30/3/2020

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19>

We have received general guidance to help our members, but please check with your accountants on your individual circumstances

Paying your taxes

- **Time to pay arrangements**

The government will ensure that businesses and self-employed individuals in financial distress and with outstanding tax liabilities receive support with their tax affairs.

HMRC has set up a dedicated COVID-19 helpline to help those in need, and they may be able to agree a bespoke Time to Pay arrangement. Time to Pay gives businesses a time-limited deferral period on HMRC liabilities owed and a pre-agreed time period to pay these back.

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A dedicated helpline has been set up to help businesses and self-employed individuals in financial distress and with outstanding tax liabilities receive support with their tax affairs. Through this, businesses may be able to agree a bespoke Time to Pay arrangement. If you are concerned about being able to pay your tax due to COVID-19, call HMRC's dedicated helpline on 0800 024 1222

- **VAT payments**

The next quarter of VAT payments will be deferred, meaning businesses will not need to make VAT payments until the end of June 2020. Businesses will then have until the end of the 2020-21 tax year to settle any liabilities that have accumulated during the deferral period.

The deferral applies automatically and businesses do not need to apply for it. VAT refunds and reclaims will be paid by the government as normal.

- **Income tax payments**

Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021.

Income Tax Self-Assessment payments due on the 31 July 2020 will be deferred until the 31 January 2021. This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

Eligibility is limited to the self-employed ie, the deferral does not apply to those that are in self assessment but are not self-employed. The Tax Faculty has sought clarification from HMRC but our current understanding is that the deferral applies to any taxpayer who was self-employed in the 2018/19 tax year on which the payment on account is based.

Sick pay for individuals affected by Coronavirus

- **Statutory Sick Pay**

The government will support small and medium-sized businesses and employers to cope with the extra costs of paying COVID-19 related SSP by refunding eligible SSP costs. The eligibility criteria for the scheme include:

- ✓ the refund will be limited to two weeks per employee
- ✓ employers with fewer than 250 employees will be eligible. The size of an employer will be determined by the number of people they employed as of 28 February 2020
- ✓ employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- ✓ employers should maintain records of staff absences, but should not require employees to provide a GP fit note
- ✓ the eligible period for the scheme will commence from the day on which the regulations extending SSP to self-isolators come into force.

- **Sick pay for Self Employed individuals**

Self-employed people can now access full universal credit at a rate equivalent to statutory sick pay.

Coronavirus Job Retention Scheme

Under the new Coronavirus Job Retention scheme, government grants will cover 80% of the salary of PAYE employees who would otherwise have been laid off during this crisis. The scheme, open to any employer in the country, will cover the cost of wages backdated to 1 March 2020 and will be open before the end of April. It will continue for at least three months, and can include workers who were in employment on 28 February.

To claim under the scheme employers will need to:

- designate affected employees as 'furloughed workers', and notify employees of this change. Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation; and
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal. HMRC will set out further details on the information required.
- HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month.

While HMRC is working urgently to set up a system for reimbursement, we understand existing systems are not set up to facilitate payments to employers. Business that need short-term cash flow support, may benefit from the VAT deferral announced below and may also be eligible to apply for a Coronavirus Business Interruption Loan.

Business rates

- **Small businesses**

The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBBR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.

- **Grants for retail and hospitality**

The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property.

Businesses in these sectors with a property that has a rateable value of £15,000 and under will receive a grant of £10,000.

Businesses in these sectors with a property that has a rateable value of between £15,000 and £51,000 will receive a grant of £25,000.

- **Retail businesses**

The government will increase the Business Rates retail discount to 100% for one year and expand it to the leisure and hospitality sectors, and increase the planned rates discount for pubs to £5,000. Taken together with existing small business rate relief (which provides full relief for businesses using a single property with a rateable value of £12,000 or less), an estimated 900,000 properties, or 45% of all properties in England, will receive 100% business rates relief in 2020 to 2021:

- businesses that received the retail discount in 2019-20 will be rebilled by their local authority as soon as possible
- those businesses eligible for the newly expanded retail discount and/or the new pubs discount may need to apply to their local authority to receive the discount
- any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority

Coronavirus Business Interruption Loan Scheme

The temporary Coronavirus Business Interruption Loan Scheme will support SMEs with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.

The government will also make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.

The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.

There are 40 accredited lenders able to offer the scheme, including all the major banks.

Companies House filing deadlines

All companies must send their accounts, reports and confirmation statements to Companies House every year. If a company's accounts are filed late, the law imposes an automatic penalty.

Your company should take appropriate measures to ensure accounts are filed on time. You should also [file your accounts online](#) if you're able to.

If, immediately before the filing deadline, it becomes apparent that accounts will not be filed on time due to your company being affected by Coronavirus (COVID-19), you may make an application to extend the period allowed for filing.

Support for self-employed through the Self-employment Income Support Scheme

The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have lost income due to coronavirus (COVID-19).

This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months. This may be extended if needed.

This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months. This may be extended if needed.

Who can apply

You can apply if you're a self-employed individual or a member of a partnership and you:

- have submitted your Income Tax Self Assessment tax return for the tax year 2018-19
- traded in the tax year 2019-20
- are trading when you apply, or would be except for COVID-19
- intend to continue to trade in the tax year 2020-21
- have lost trading/partnership trading profits due to COVID-19

Your self-employed trading profits must also be less than £50,000 and more than half of your income come from self-employment. This is determined by at least one of the following conditions being true:

- having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of your total taxable income
- having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of your average taxable income in the same period

If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return.

If you have not submitted your Income Tax Self-Assessment tax return for the tax year 2018-19, you must do this by 23 April 2020.

HMRC will use data on 2018-19 returns already submitted to identify those eligible and will risk assess any late returns filed before the 23 April 2020 deadline in the usual way.

How much you'll get

You'll get a taxable grant which will be 80% of the average profits from the tax years (where applicable):

- 2016 to 2017
- 2017 to 2018
- 2018 to 2019

To work out the average HMRC will add together the total trading profit for the 3 tax years (where applicable) then divide by 3 (where applicable), and use this to calculate a monthly amount.

It will be up to a maximum of £2,500 per month for 3 months.

We'll pay the grant directly into your bank account, in one instalment.

Support for nursery businesses that pay business rates

We will introduce a business rates holiday for nurseries in England for the 2020 to 2021 tax year.

Eligibility

You are eligible for the business rates holiday if:

- your business is based in England

Properties that will benefit from the relief will be hereditaments:

- occupied by providers on Ofsted's Early Years Register
- wholly or mainly used for the provision of the Early Years Foundation Stage

Support for businesses that pay little or no business rates

The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBRR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.

Eligibility

You are eligible if:

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

How to access the scheme

You do not need to do anything. Your local authority will write to you if you are eligible for this grant.

Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority.

Commercial insurance

Most commercial insurance policies are unlikely to cover pandemics or unspecified notifiable diseases, such as COVID-19.

However, those businesses which have an insurance policy that covers government ordered closure and pandemics or government ordered closure and unspecified notifiable disease should be able to make a claim (subject to the terms and conditions of their policy).

Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers.

Notifiable diseases

Notifiable diseases are certain infectious diseases that registered medical practitioners have a statutory duty to notify the 'proper officer' at their local council or local health protection team about when they come across a suspected case.

The government keeps an updated [list of notifiable diseases](#). On 5 March 2020, the government added COVID-19 to its list of notifiable diseases.

Many insurers use diseases on this list as triggers for the activation or exclusion of insurance cover. For example, insurers' policies that cover notifiable diseases will typically only cover a specific subset of notifiable diseases (such as Cholera or Anthrax) that the insurer will reference in the policy documentation. These policies will exclude any notifiable disease not on the insurers list, as well as future/unknown diseases (such as COVID-19). The price that the insurer charges for the policy is modelled against the risk posed by this set list of diseases.

Unspecified notifiable diseases

Some businesses will have purchased add-ons for their insurance that cover for 'unspecified notifiable diseases'. These policies effectively cover any disease listed as a notifiable disease, enabling the business to claim for losses for all notifiable diseases as well as from diseases that are unknown at the point the policy is written.

The effect of the government adding COVID-19 to its list of notifiable diseases is to ensure that businesses with unspecified notifiable disease cover are able to make a claim – subject to the terms and conditions in their policy. For example, someone infected with COVID-19 may need to have been on the premises.

Government ordered closure

The government asked a [number of different businesses and venues](#) to remain closed from 21 March onwards.

Insurers have agreed that this advice is sufficient for businesses covered for COVID-19 losses to make a claim (if the only barrier to them making a claim was a lack of clarity on whether the government had ordered businesses to close). As such, intervention by the police or any other statutory body is no longer required to trigger cover in the current circumstances.

However, most businesses' commercial insurance policies (including for denial of access) are unlikely to offer cover for COVID-19. Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers.

Event coverage

Businesses with event cancellation policies that include unspecified notifiable disease extensions should be able to make a claim for the necessary and unavoidable cancellation, abandonment, curtailment, postponement and disruption of their event for reasons beyond the control of organisers and participants (subject to the other terms and exclusions of their policy).

Insurance for major events is often bespoke to the specific event, so businesses are encouraged to check the terms and conditions of their specific policy and contact their insurer or broker.

Protection from eviction for commercial tenants

Commercial tenants who cannot pay their rent because of COVID-19 will be protected from eviction.

These measures will mean no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up until 30 June.

There is the option for the government to extend this period if needed.

This is not a rental holiday. All commercial tenants will still be liable for the rent. Commercial tenants are protected from eviction if they are unable to pay rent.

Eligibility

All commercial tenants in England, Wales and Northern Ireland are eligible.

How to access the scheme

The change will come into force when the Coronavirus Bill receives Royal Assent. No action is required.

Extension of Business Improvement Districts (BIDs) arrangements

BIDs will be able to extend the maximum duration of their BID arrangements until 31 March 2021 by delaying BID ballots due to take place this year. This enables BIDs, and the local authorities who administer the ballot process, to concentrate on responding to the current emergency.

Eligibility

The measures apply to any BID in England due to ballot between now and 31 December 2020.

How to access the scheme

The change will come into force when the Coronavirus Bill receives Royal Assent. No action is required.

Additional information

- the [government's coronavirus action plan](#) provides detailed information about the government's response
- the government has put a range of support in place for those who do not receive Statutory Sick Pay, including Universal Credit and contributory Employment and Support Allowance
- ACAS has published [information for employees and employers](#), including simple steps to help protect the health and safety of staff
- a number of private lenders are also making funds available to small businesses impacted by COVID-19, including £2 billion from [Lloyds Banking Group](#) and £5 billion from [NatWest](#)

If you have a query that isn't covered by this guidance you can contact the [Business Support Helpline](#).