



## Assistance to Businesses & Employees Due to Covid-19

We hope this guide provides you with information on the latest changes due to Covid-19. We are going to keep this up to date, keeping informing you and adjusting our services to meet the ever-changing climate.

Remember, deadlines still have to be met. We don't want you getting any fines - so continue sending in your bookwork & vat so submissions are done on time. However, you can of course take advantage of the payment holiday now made available by the Government for the tax payments themselves.

**Avanti are here for you and it is business as normal - albeit remotely**

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## BUSINESS

### *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.

### *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.

### *Universal credit*

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

### *HMRC Time to Pay*

HMRC's Time to Pay scheme can enable firms and individuals in temporary financial distress as a result of Covid-19 to delay payment of outstanding tax liabilities. HMRC's dedicated Covid-19 helpline provides practical help and advice on 0800 0159 559.

### *Business Rates holidays and cash grants*

- No rates payable for the 2020-2021 tax year for any business in the retail, hospitality or leisure sectors.
- In those sectors, if your rateable value is between £15K and £51k, you'll also receive a cash grant of up to £25,000 per property.
- Any business which gets small business rates relief, including those in the retail, hospitality or leisure sectors, will receive a cash grant of £10,000 (increased from £3,000 announced in the 11 March Budget).
- The rates holiday and cash grants will be administered by local authorities and should be delivered automatically, without businesses needing to claim.

### *Coronavirus Business Interruption Loan Scheme*

- These should be available from Monday 23 March and are delivered by lenders that partner with the British Business Bank, including all the major banks. The lender receives a guarantee of 80% of the loan amount from the government.
- They are available for UK-based businesses with turnover of no more than £45 million and can provide for a facility up to £5 million. The borrower remains liable for 100% of the debt.
- No interest will be charged for the first 12 months.

### *COVID-19 corporate financing facility*

The Bank of England has set up a scheme to finance working capital by purchasing commercial paper from larger business 'making a material contribution to the UK economy'. Businesses do not need to have previously issued commercial paper in order to participate. The scheme will operate for at least 12 months.

### *Insurance claims*

Businesses that have cover for both pandemics and government-ordered closure should be covered. The government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres, etc., is sufficient to make a claim as long as all other terms and conditions are met. Insurance policies differ significantly, so businesses should check the terms and conditions of their specific policy and contact their providers.

To access the Government Website providing information to businesses, see [HERE](#)

## EMPLOYEES

### *Statutory Sick Pay (SSP)*

- If you're a director of a limited company with less than 250 employees, you can pay yourself two weeks of SSP if you need to self-isolate subject to meeting the minimum payroll requirement for SSP.
- The government will refund £94 per week, maximum £188, to your company.
- It will also refund SSP for staff of businesses with less than 250 employees for up to two weeks.

### *Staying at home*

If you have symptoms of coronavirus infection (COVID-19), however mild, stay at home and do not leave your house for 7 days from when your symptoms started.

If you live with others and you are the first in the household to have symptoms of coronavirus, then you must stay at home for 7 days, but all other household members who remain well must stay at home and not leave the house for 14 days. The 14-day period starts from the day when the first person in the house became ill. [See the stay at home guidance for more information.](#)

### *Sick pay*

You can get £94.25 per week Statutory Sick Pay (SSP) if you're too ill to work. It's paid by your employer for up to 28 weeks.

If you are staying at home because of COVID-19 you can now claim SSP. This includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.

To check your sick pay entitlement, you should talk to your employer, and visit the [Statutory Sick Pay \(SSP\) page](#) for more information.

### *SSP start date*

We are legislating for SSP to be paid from day 1, rather than day 4, of your absence from work if you are absent from work due to sickness or need to stay at home due to COVID-19. Once the legislation has been passed, this will apply retrospectively from 13 March. You should talk to your employer if you are eligible for SSP and need to claim.

### *Proof of sickness*

If you have COVID-19 or are advised to stay at home, you can get an 'isolation note' by visiting [NHS 111 online](#), rather than visiting a doctor. For COVID-19 cases this replaces the usual need to provide a 'fit note' (sometimes called a 'sick note') after 7 days of sickness absence.

Isolation notes will also be accepted by Jobcentre Plus as evidence of your inability to attend.  
*If you're self-employed or not eligible for SSP*

If you are not eligible for SSP – for example if you are self-employed or earning below the Lower Earnings Limit of £118 per week – and you have COVID-19 or are advised to stay at home, you can now more easily make a claim for [Universal Credit](#) or new style [Employment and Support Allowance](#).

If you are eligible for new style Employment and Support Allowance, it will now be payable from day 1 of sickness, rather than day 8, if you have COVID-19 or are advised to stay at home.

## *Furloughed workers*

If your employer cannot cover staff costs due to COVID-19, they may be able to access support to continue paying part of your wage, to avoid redundancies.

If your employer intends to access the Coronavirus Job Retention Scheme, they will discuss with you becoming classified as a furloughed worker. This would mean that you are kept on your employer's payroll, rather than being laid off.

To qualify for this scheme, you should not undertake work for them while you are furloughed. This will allow your employer to claim a grant of up to 80% of your wage for all employment costs, up to a cap of £2,500 per month.

You will remain employed while furloughed. Your employer could choose to fund the differences between this payment and your salary but does not have to.

If your salary is reduced as a result of these changes, you may be eligible for support through the welfare system, including Universal Credit.

The Government intend for the Coronavirus Job Retention Scheme to run for at least 3 months from 1 March 2020 but will extend if necessary.

*To access the Government website providing full information for employees, see [HERE](#)*

## PERSONAL

### *Mortgage and rent holiday*

Mortgage borrowers can apply for a three- month payment holiday from their lender. Both residential and buy-to-let mortgages are eligible for the holiday. It is important to remember that borrowers still owe the amounts that they don't pay as a result of the payment holiday. Interest will continue to be charged on the amount they owe.

Tenants can apply for a three-month payment holiday from their landlord. No one can be evicted from their home or have their home repossessed over the next three months.

### *Claiming benefits*

Whether you are currently in or out of work, if you are on a low income and affected by the economic impacts of COVID-19, you will be able to access the full range of the welfare system, including Universal Credit.

From 6 April we are increasing the standard allowance in Universal Credit and the basic element in Working Tax Credit for 1 year. Both will increase by £20 per week on top of planned annual uprating. This will apply to all new and existing Universal Credit claimants and to existing Working Tax Credit claimants.

### *If you have COVID-19 or are staying at home*

You are now able to claim Universal Credit, and if required can access advance payments upfront without needing to attend a jobcentre.

### *If you are self-employed*

You are able to [claim Universal Credit](#), providing you meet the usual eligibility criteria.

To support you with the economic impact of the outbreak and allow you to follow government guidance on self-isolation and social distancing, from 6 April the requirements of the Minimum Income Floor will be temporarily relaxed. This change will apply to all Universal Credit claimants and will last for the duration of the outbreak.

New claimants will not need to attend the jobcentre to demonstrate gainful self-employment.

### *Support for rent costs*

You should [check your eligibility for Universal Credit](#), which is available for people in and out of work. Support for rental costs will be paid through Universal Credit.

From April, we are increasing Local Housing Allowance rates to the 30th percentile of market rents. This applies to all private renters who are new or existing Universal Credit housing element claimants and to existing Housing Benefit claimants.

## Summary

We will be updating this page on a continuous basis to keep you, your business and your clients informed with all the latest information.

Avanti are here to help. We will contact clients affected by the different areas of assistance, such as payroll and we are keeping on top of it all by providing you with regular updates and continuing support.

As we have said, work still has to be done, deadlines still have to be met. We don't want you or your business getting any fines - so continue sending in your bookwork, VAT & accounts work so submissions are done on time.

However, you can of course take advantage of the payment holiday for the tax payments themselves.

If you require any assistance keeping on top of the workload or require further details of these measures and how Avanti can help you, email your allocated accountant or [emmalouise.jones@avantigroup.uk.com](mailto:emmalouise.jones@avantigroup.uk.com) who will pass the message on to the correct person.