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ALLENSACCOUNTS

Following on from our previous e-mails the Government has last night (Friday 20 March) announced a range of extraordinary measures in addition to those already introduced.

Coronavirus Job Retention Scheme

Any employer, irrespective of size, will be eligible to apply for a grant to cover 80% of wages (up to a cap of £2,500 per month per employee) for people who are not working but are retained on payroll, rather than being laid off (known as 'furloughed workers'). The scheme will be backdated to 1st March 2020 and will be available for at least three months, with the Chancellor confirming that this period will be extended if required and that unlimited funding will be made available for the scheme.

Employers will submit information to HMRC about their furloughed workers and their earnings through a new online portal. HMRC are working urgently to set up a system for reimbursement as existing systems are not set up to facilitate payments to employers. The Chancellor advised that the first grants will be paid within a matter of weeks, and at the very latest before the end of April.

VAT Deferral

Businesses will not be required to make any VAT payments during the period 20th March 2020 until 30th June 2020. Businesses will be given until the end of the 2020/21 tax year to pay any liabilities that have accumulated during this deferral period. VAT refunds and reclaims will be paid by the government as normal. This is an automatic offer with no applications required.

Self Employed

Income Tax Self-Assessment payments due on 31st July 2020 will be deferred until 31st January 2021.

The self-employed will also now be able to access universal credit, in effect, providing them access to statutory sick pay (SSP).

Previously announced

These measures are in addition to those already announced and covered on previous e-mails, namely:

1. a Statutory Sick Pay relief package for SMEs
 2. a 12-month business rates holiday for all businesses in the retail, hospitality and leisure sectors
 3. small business grant funding of £10,000 for all businesses in receipt of small business rate relief
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4. grant funding of £25,000 for businesses in the retail, hospitality and leisure sectors with property with a rateable value between £15,000 and £51,000
5. the Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank – these should be available early next week via the high street banks and other lenders <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>
6. the HMRC Time To Pay Scheme – this has been scaled up since its introduction and many clients are arranging 3 month extensions without having to provide much information – HMRC’s dedicated helpline number is 0800 0159 559.

There is more information about all these measures at <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

We are experiencing many of the same challenges faced by our clients but will remain open for business throughout. Please do not hesitate to contact us with any queries you have on these measures and how they could help your business during this extremely difficult time.

The Allens Team
