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CORONAVIRUS JOB RETENTION SCHEME (CJRS)

From the start of this month **employers will have to pay at least 20% of staff wages to anyone on furlough** as the government has again reduced its level of support under the CJRS.

From 1 August 2021 until the scheme closes at the end of September, the Government's contribution has reduced to 60% of furloughed employees' wages for unworked hours, with a cap of £1,875 per employee per month.

Pay for furloughed employees must remain at a minimum of 80% meaning employers must contribute 20% to furloughed staff wages i.e. up to £625.00 per month.

Employers also have the option to top this up to 100% of wages.

Employers will also need to pay employer NICs and pension contributions for their employees on the full amount that they pay the employee.

SELF-EMPLOYED INCOME SUPPORT SCHEME (SEISS)

The portal to apply for the fifth and final SEISS grant opened on 29 July but not everyone can apply at once.

HMRC say they have contacted every self-employed taxpayer within the last week (by email or letter) who it believes may be eligible to apply for the grant, giving them a personal start date from which they can apply. Taxpayers should not attempt to apply before their personal start date as their claim will not be processed. This staggered start is to prevent every eligible taxpayer applying on the same day and crashing the system, and to give HMRC time to process all the grant payments due. As a reminder we cannot claim these grants on behalf of clients.

Taxpayers don't have to apply for the SEISS grant on the first possible day as the **portal will remain open until 30 September 2021**, but the sooner they apply, the quicker the money will arrive.

As a reminder a claim can be made if business profit will be impacted by coronavirus between 1 May 2021 and 30 September 2021 and:

- traded in both 2019/20 and 2020/21;
- submitted the 2019/20 return on or before 2 March 2021; and have
- trading profits of no more than £50,000 and trading profits at least equal to non-trading income. If there is no eligibility based on the trading profits for 2019/20, then previous years will be considered.

In addition, a business must state that it:

- intends to keep trading in 2021/22; and
- reasonably believe there will be a significant reduction in trading profits due to the impact of coronavirus between 1 May 2021 and 30 September 2021.

In addition, this fifth grant is different from previous grants as **details of business turnover have to be provided to HMRC** for them to work out the grant amount. Two different turnover figures will be required for most businesses, namely turnover for:

- a 12-month period starting between 1 April 2020 and 6 April 2020 – effectively the tax year 2020/21; and
- as reported on the 2019/20 or 2018/19 tax return.

<https://www.gov.uk/guidance/work-out-your-turnover-so-you-can-claim-the-fifth-seiss-grant>

HMRC will then work out the grant amount based on how much turnover is down by after they have compared the two turnover figures.

If turnover is down by 30% or more the grant will be 80% of three months' average trading profits, capped at £7,500

If turnover is down less than 30% the grant will be 30% of three months' average trading profits, capped at £2,850.

If any clients require assistance finding their turnover information needed to complete their claims please get in touch with your usual contact at Allens.

The Team at Allens



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