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ALLENSACCOUNTS

BUSINESS AS USUAL

Please note that for the forthcoming second national lockdown period coming into force on Thursday 5 November Allens will continue to operate as normal and our office will remain open throughout.

As a result of the lockdown the Government has announced the following measures:

- The Coronavirus Job Retention Scheme (CJRS), also known as the **furlough scheme, is being extended until 2 December 2020**, with furloughed employees receiving 80% of their current salary for hours not worked (up to a maximum of £2,500).
- The application deadline for **loan guarantee schemes (CBILS, Bounce Back Loans)** will be extended from 30 November 2020 to 31 January 2021
- The third instalment of the **self-employment income support scheme (SEISS)** will be made more generous with self-employed individuals receiving 80% of their average trading profits for November
- Business premises forced to close in England are to receive **grants worth up to £3,000 per month** under the Local Restrictions Support Grant

HMRC have published further details on [this factsheet](#) but guidance and legislation is expected to be published shortly.

The Furlough Scheme

The scheme that was due to end on 31 October will now remain open throughout November with similar conditions as applied in August 2020.

The headline features of the scheme are:

- The CJRS grant will pay for 80% of the employee's current wages for time not worked, up to £2,500 per month.
- The employer must pay for all of the employer's NIC and employer's minimum workplace pension contributions on those wages.
- The employer can top-up the employee's furlough pay at their own expense if they wish to.
- Neither the employer nor the employee needs to have previously used the CJRS.
- Employees who were on the employer's payroll at 23 September 2020 will qualify to be included in CJRS claim for November.
- The employee must have been paid by the employer, and that pay must have been reported on a RTI return before midnight on 30 October.
- Employees who were made redundant or who left the employment after 23 September 2020 can be reinstated and included in a CJRS claim for November.
- Flexible furlough will be permitted alongside full-time furlough, so employees can work on a part-time basis and be furloughed for the rest of their usual working hours – it is implied that this also includes employees furloughed for the first time, this will hopefully be confirmed next week once the full rules are available.
- The same rules for flexible furlough will continue to apply as they have done since 1 July so the employee may be furloughed for a few days or hours per week – there appears to be no minimum time set for furloughed hours or working hours.
- Each furlough claim must be for a period of at least seven consecutive calendar days.
- The claim process will be very similar to that which has applied so far under CJRS – the employer will have to report the hours the employee has not worked in a claim period and the usual hours.
- Claims can be made up to 14 days from the end of the pay period and the CJRS grant should be paid within six days of the claim being submitted.

As previously we will continue to process claims for our payroll clients.

The Job Support Scheme (JSS), which was scheduled to come in on 1 November, has

been postponed until the furlough scheme ends.

The Self-Employment Income Support Scheme (SEISS)

The Government yesterday increased the level of the third instalment of the SEISS grant to 80% of average monthly profits for November 2020, with December and January set at 40% of average profits.

As a result a qualifying trader will receive a grant covering November to January based on 55% of average profits, capped at £5,160.

Applications for this third SEISS grant will open on 30 November 2020.

HMRC has yet to publish legislation for this SEISS grant but we expect the following conditions to apply:

- The trader must have been eligible for the previous SEISS grants (even if they didn't apply for them).
- The business has not ceased permanently at the date of the claim.
- If the business is not actively trading there is an intention to resume trading before April 2021.
- The business has been adversely affected by the pandemic in the period from 1 November 2020 to the date of the claim.

The third SEISS grant will be based on the trader's reported self-employed profits in the three years to 2018/19, or the part of that period when they were in business as a self-employed individual or partner.

The Government has also promised a fourth SEISS grant payable for three months from February to April 2021 and will publish details in due course.

As a reminder this grant does not cover traders who operate through limited companies.

Guarantee Loan Schemes

The Government will extend the application deadline for loan guarantee schemes (Bounce Back Loan Scheme, Coronavirus Business Interruption Loan Scheme, and Coronavirus Large Business Interruption Loan Scheme) to the end of January 2021. This will give businesses two extra months to make loan applications (the current deadline is

30 November).

The Government will also adjust the Bounce Back Loan Scheme rules to allow those businesses who have borrowed less than their maximum (i.e. less than 25% of their turnover) to top-up their existing loan. Businesses will be able to take-up this option from next week and can only make use of this option once.

Local Grants

Where businesses have been required by law to close they will be able to apply for a support grant from their English local authority based on the rateable value of their business premises:

- For properties with a rateable value of £15k or under, grants are to be £1,334 per month, or £667 per two weeks
- For properties with a rateable value of between £15k-£51k grants are to be £2,000 per month, or £1,000 per two weeks
- For properties with a rateable value of £51k or over grants are to be £3,000 per month, or £1,500 per two weeks

We expect details on all the above measures in the coming days and will provide further bulletins when this information becomes available. In the meantime if you have any queries please do not hesitate to contact us.

The Allens Team



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