

Corona Virus – Business Interruption Action Steps (BIAS)

19/05/20 v19

Update as at 19/05/2020

1. Statutory Sick Pay Rebate Scheme (SSRS)

Statutory Sick Pay Rebate Scheme will launch online on 26 May.

The scheme will enable employers with fewer than 250 employees to claim coronavirus-related Statutory Sick Pay (SSP). If AEL are your agent, we will be able to make claims on behalf of employers.

Employers are eligible to use the scheme if:

- they're claiming for an employee who's eligible for sick pay due to coronavirus
- they had a PAYE payroll scheme in operation before 28 February 2020
- they had fewer than 250 employees across all PAYE schemes on 28 February 2020
- they're eligible to receive State Aid under the EU Commission Temporary Framework.

The repayment will cover up to two weeks of the applicable rate of SSP, and is payable if a current or former employee was unable to work on or after 13 March 2020 and entitled to SSP, because they either:

- have coronavirus
- are self-isolating and unable to work from home
- are shielding because they've been advised that they're at high risk of severe illness from coronavirus.

To prepare to make a claim, you should keep records of all the SSP payments you wish to claim for.

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Update as at 18/05/2020

1. Coronavirus Job Retention Scheme

Following from the update on 13/05/2020

It's nearly a month since the Coronavirus Job Retention Scheme (CJRS) opened and you may be preparing to make another claim in order to receive money by the end of May.

To ensure you receive a payment by the end of May, you need to apply by **Wednesday 20 May**.

When you make a claim through the Coronavirus Job Retention Scheme, you'll receive the money within six working days.

After making a claim, please keep all records and calculations, in case HMRC need to contact you to discuss these.

Update as at 15/05/2020

1. Self-Assessment Employment income Support Scheme (SESS)

HMRC has opened the Self-Employed Income Support Scheme, where freelancers and contractors can apply up to 80% of lost earnings in a £7,500 lump sum.

To apply click [here](#).

It is a very quick seamless application process, information required:

1. Personal UTR Number
2. National Insurance Number
3. Government Gateway ID and Password
4. Bank Account Information (where you would like the grant paid into)

The system automatically calculates if you are eligible for the grant and how much you are to receive based on your historic submitted returns.

The grant does not need to be repaid but will be subject to income tax and national insurance.

Money should hit bank accounts by May 25 or six working days after a claim is made.

Update as at 13/05/2020

1. Coronavirus Job Retention Scheme

Following from the update on 20/04/2020

The scheme has been extended to October 2020 and will retain the current form and rules until 31st July 2020.

From 1st August :

- businesses will be able to have greater flexibility by being able to employ furloughed staff on a part-time basis.
- for furloughed employees, nothing changes in that they will continue to receive 80% of their salary.
- However, employers will now be asked to contribute towards furloughed staff salaries.

What we don't know yet:

Detailed guidance is expected before the end of May - Keep an eye out on this post for updates.

This will include :

- What percentage of the furlough cost will the employer contribute?
- Will this be voluntary or mandatory?
- How will the part-time furlough rules operate?
- Will employers in different trades have to contribute differing amounts as most businesses will not be allowed to "re-open" at the same time?

Update as at 04/05/2020

1. Coronavirus Bounce Back Loan Scheme (BBLs)

Following from 28/04/2020 bounce back loan below.

- Scheme is now open for applications
- Fixed 2.5% interest payable after first 12 months
- No personal guarantee required
- If you have an approved CBILS Loan, you cannot apply for this as well
- Early repayment is permitted at any stage, no repayment fees charged
- If struggling to pay the loan after 1 year, alert your bank, standard procedures have been set in place

- The Scheme is open to most UK businesses, regardless of turnover, who self-declare they meet the eligibility criteria

To view our designated BBLS blog updates, [click here](#)
For further information and FAQs, [click here](#)

Update as at 28/04/2020

1. Coronavirus Bounce Back Loan

The Bounce Back Loan scheme will help small and medium-sized businesses to borrow between £2,000 and £50,000

- The government will guarantee 100% of the loan
- No fees or interest to pay for the first 12 months.
- Loan terms will be up to 6 years.
- No repayments will be due during the first 12 months.

The government will work with lenders to agree a low rate of interest for the remaining period of the loan.

You **can apply** for a loan if your business:

- is based in the UK
- has been negatively affected by coronavirus
- was not an 'undertaking in difficulty' on 31 December 2019

The following businesses **are not eligible** to apply:

- banks, insurers and reinsurers (but not insurance brokers)
- public-sector bodies
- further-education establishments, if they are grant-funded
- state-funded primary and secondary schools

If you've **already received a loan** of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, you can arrange this with your lender until 4 November 2020.

- The Bounce Back Loan scheme will launch on 4 May 2020.

More information about the scheme will be published shortly.

Update as at 20/04/20

1. Coronavirus Job Retention Scheme

The Job Retention Scheme is now open for submissions.

<https://www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme>

You can now claim online for a grant for 80% of your furloughed employees' salaries, up to a maximum of £2,500 per employee, per month, through the Coronavirus Job Retention Scheme.

This scheme will be open until the end of June 2020.

After you've made a claim:

- keep a note or a print-out of your claim reference number – you won't receive a confirmation SMS or email.
- retain all records and calculations for your claims, in case HMRC need to contact you about them.
- expect to receive the funds six working days after you apply, provided your claim matches records that HMRC hold for your PAYE scheme.
- to receive payment by 30 April, you will need to complete an application by 22 April

Update as at 17/04/2020

1. Coronavirus Job Retention Scheme

Further to point 1 as at 08/04/2020.

-The scheme has been extended from May 2020 to June 2020 (an extra month of employee furlough)

- Employees on the payroll prior to 19th March are now also eligible to be furloughed (not just employees that started prior to 28th Feb).

- A director who is furloughed can only undertake work to fulfil a duty or other obligation arising from an Act of Parliament relating to the filing of company's accounts or provision

of other information relating to the administration of the director's company. This is a very narrow interpretation of directors' duties.

-To claim furlough, the employer and employee must have agreed in writing that the employee will cease all work. This is significant; the guidance only required notification. The Direction from the Treasury requires written agreement.

Update as at 15/04/2020

1. Self-employment Income Support Scheme (SEISS)

Further to point 2 on the 26/03/2020

-HMRC plans to contact self-employed individuals by mid-May if you are entitled to a grant under the scheme. HMRC still anticipates this will be paid in early June.

-Losses arising in the years 2016/17 to 2018/19 are deducted from profits before calculating the average profits for the purposes of the grant.

-If you have run more than one business in a year, those profits/losses should be added together as appropriate, to calculate the figure to use for each tax year.

2. Current Bank Loans

Banks and lenders are expected to offer small businesses and individuals a temporary payment freeze on loans and credit cards for up to three months for those who have been impacted by coronavirus.

RBS, HSBC, Barclays Lloyds, Santander and Nationwide have all said they will be offering payment freezes from 14th April.

Update as at 08/04/2020

1. Coronavirus Job Retention Scheme

Further to point 4 under the 'Dealing with Staff' section and further to the update on the 3rd April.

-There is a 3 week minimum furlough period, it must be a continuous period. Employees can be brought in and out of furlough as long as the periods are greater than 3 weeks.

-You should only use the furlough arrangements where there is reasonable likelihood of rehiring workers.

-Foreign nationals can participate if on a UK PAYE scheme.

-Employees on maternity leave and some other statutory leaves may be furloughed. Those on unpaid leave may not be furloughed if the leave began before 1st March 2020.

-HMRC may audit claims for up to a minimum of 5 years.

Update as at 03/04/2020

1. Business Interruption Loan Scheme (BILS)

Further to point 4 under the 'Business Funding' section and the 24/03/20 update below;

The BILS programme is being extended so all viable small businesses affected, not just those unable to secure regular commercial financing, will now be eligible for a loan should they need finance to keep operating.

Lenders have also been stopped from requesting personal guarantees for loans under £250,000. The government will continue to cover the first twelve months of interest and fees.

The British Business Banks says that businesses that meet the following conditions must be considered for CBILS:

- Be UK-based in its business activity
- Have an annual turnover of no more than £45 million, of which more than 50 per cent is generated through trading activities
- Have a borrowing proposal which the lender would consider viable, were it not for the current pandemic
- Self-certify that it has been adversely impacted by the coronavirus (COVID-19).

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/cbils-faqs-for-smes/>

2. Coronavirus Job Retention Scheme

Further to point 4 under the 'Dealing with Staff' section

Employees who have started a new job after the 28 February 2020 will not be able to benefit from the scheme.

Employers can re-hire staff that have already been made redundant and still claim the subsidy. This does not apply if staff left voluntarily.

Update as at 31/03/2020

1. Directors of Companies

Company directors that receive salaries through PAYE can be furloughed and apply for a grant of 80% of their salary.

Individuals who are directors of their own family companies and who are themselves paid via PAYE should be eligible for the coronavirus job retention scheme, although the same rules will apply as to other businesses and their employees. i.e. no work on the business should be undertaken.

Furloughed employees must not perform any work for the employing business – Depending on the size and needs of the company, it may be possible to furlough one or more directors.

A director can furlough and continue with their statutory duties. However, references to these duties only mention certain compliance activities such as filing accounts.

Directors paid a nominal salary but receiving the bulk of their reward through dividends would only receive 80% of the nominal salary (if they qualify). Payment-by-dividends is not supported by the scheme.

Full details on how the amount of the grant will be calculated for these individuals have yet to be released.

Update as at 26/03/2020

1. Company Accounts Filing Deadline Extension

Companies House are allowing Limited Companies to extend their filing deadline by 3 months. An application has to be made for the extension and the application must be submitted before you filing deadline.

<https://www.gov.uk/guidance/apply-for-more-time-to-file-your-companys-accounts>

Companies that have already extended their filing deadline, or shortened their accounting reference period, may not be eligible for an extension.

2. Self-employment Income Support Scheme (SEISS)

Proposed statutory self-employment pay which would cover the lower of £2,500 or 80 per cent of a self-employed person's monthly earnings, averaged over the last three years.

The scheme is open to anyone with trading profits of up to £50,000. It will only be available to those who make the majority of their income from self-employment and who filed a tax return for 2019.

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 to qualify for SEISS.

Claims will be paid out from June directly into your bank account, in one instalment. In the meantime, universal credit can be claimed and paid out a lot quicker.

HMRC will contact you if you are eligible for the scheme and invite you to apply online.

<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

3. Update on Coronavirus Job Retention Scheme (point 4, dealing with staff below)

Employers can use a portal to claim for 80% of furloughed employees' (employees on a leave of absence) usual monthly wage costs, up to £2,500 a month, **plus** the associated Employer National Insurance contributions **and** minimum automatic enrolment employer pension contributions on that wage.

Update as at 24/03/2020

1. Businesses in rented properties

Commercial tenants who cannot pay their rent because of coronavirus will be protected from eviction;

No business will be forced out of their premises if they miss a payment in the next three months.

Commercial tenants will still be liable for the rent after this period, the Government is also

actively monitoring the impact on commercial landlords' cash flow and continues to be in dialogue with them.

2. Business Interruption Loan Scheme (BILS)

Further to point 4 under the 'Business Funding' section below;

Banks have stated they will only provide these loans as a last resort if all other avenues of funding have been exhausted along with the current business rates grant on offer and if the Corona Virus Job Retention Scheme is not enough to help you through this period.

Update as at 23/03/2020

Dealing with staff

1) Govt Assistance – Statutory Sick Pay (SSP)

Reclaim of SSP for Covid19 = 2 weeks per employee

Eligible if less than 250 employees // Doesn't require doctors certificate

Rebate access tbc

2) Staff into teams wherever possible so that key functions are covered in each team(s); Separate teams not to meet physically to preserve at least one team if virus spreads amongst staff;

3) Staff payment policy on working from home and SSP to be made clear;

4) Govt Assistance – Coronavirus Job Retention Scheme

Employers able to reclaim 80% of staff salaries up to £2.5k per month

Staff must be 'furloughed'. Redundancies not included. 3 month initial period backdated to 1st March 2020.

All UK businesses are eligible.

Designate affected employees as 'furloughed workers,' and notify your 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.

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 are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

Business Funding

5) Business rates holiday

Reclaim if in retail / hospitality/Leisure, Rebate automatically when rates bills come out

6) Cash grants retail/hospitality & leisure

£25,000 grant where rateable value is between £15,000 & £51,000,
Claim from local authority – more information to be provided

7) Cash grants retail/hospitality & leisure

£10,000 one off grant to those businesses that don't pay rates
Eligible rateable value less than £15,000
No need to apply // Local Authority will contact business

8) Business Interruption Loan Scheme (BILS)

The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims). The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments.

Eligibility:

- Business is UK based, with turnover of no more than £45 million per year
- Your business meets the other British Business Bank eligibility criteria

Talk to your bank or finance provider (not the British Business Bank) as soon as possible and discuss your business plan with them. This will help your finance provider to act quickly once the Scheme has launched

The scheme will be available from week commencing 23 March 2020.

Access via <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

- Talk with own bank / Provide business plan Can also request
- Payment holiday for existing loans

9) Time to Pay services

Eligibility – Outstanding tax liabilities due to Co-Vid19 disruption
HMRC dedicated helpline 0800 0159 559

10) VAT payment Deferral

VAT payments deferred for 3 months to 30 June. This is automatic and no application required and repay by March 2021 • VAT refunds paid as normal

11) **Corporation Tax** – do not pay as loss relief / time to pay arrangements available;
If making a loss this year then don't pay corporation tax for last year;

12) **Equipment leasing** – request repayment holiday;

13) **Business interruption insurance** – are you covered ? Usually excludes
Pandemics;

14) **Rental holiday** – Rent free or pay 1 month at a time (instead of quarterly in
advance). Claim from landlord.

15) Utilities providers : Claim for **holiday on energy bills;**

16) **Debt Collection priority** - Review credit terms; service / goods without payment
on account;

17) Co-Directors / Shareholders of SME's – to discuss salary / **dividends**
reductions with each other;

18) Cash flow retention : **Review discretionary costs** such as Directors
pension contributions // Marketing costs //

Self Employed/Individuals

19) All payments on accounts due by 31st July 2020 have now been
deferred to 31st January 2021.

20) Personal Mortgage holiday.

3 month payment holidays offered to Help to Buy equity loans, Buy to Let mortgages and Residential mortgages

-It is important to remember that you still owe the amounts that you don't pay as a result of the payment holiday. Interest will continue to be charged on the amount owed.

-Taking a payment holiday will not impact your credit score.

21) Universal Credit

Can be accessed in full at rates equivalent to statutory sick pay

Useful HMRC websites

Business Support

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

Guide for Employers

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

Guide for Employees

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

General Guidance

<https://www.gov.uk/guidance/coronavirus-covid-19-information-for-individuals-and-businesses-in-scotland>

