

Covid-19: Government support for businesses – BOOST&Co's guide.

■ Coronavirus Job Retention Scheme

What is it?	The scheme aims to protect jobs by helping businesses to avoid making redundancies. HMRC will reimburse employers with a maximum grant per employee. This will be the lower of 80% of a "furloughed" employee's wages (including employers' NIC and pension contributions) or £2,500 a month.
Who is eligible?	All businesses in the UK. Companies do not need to be closed to apply, so they may choose to furlough some of their employees, but not all. Employees must have been on the payroll at 29 February.
How does it work?	<p>Employers must notify "furloughed" employees of the change in their status, and the employees must carry out no further work.</p> <p>These employees are not being dismissed or made redundant, so they are not entitled to redundancy payments, but they may qualify for benefits such as universal credit.</p> <p>Furloughed employees are not entitled to receive a top-up of salary from their employers. Some firms may be able to top up wages from 80% to 100%, but others may not be in a position to do so.</p> <p>Full details can be found on the government's website (Covid-19: support for businesses). For an illustration, visit the Institute of Chartered Accountants of England and Wales's webpage.</p>
When will it start?	The scheme will be backdated to 1 March and is planned to run for an initial three months.
How do I apply?	A new online portal is being set up to administer the scheme. It is expected to be available before the end of April. The first grants are expected to be paid within weeks. In the interim, alternative support is available (see the following pages).
What else should I know?	Changing employees' status remains subject to employment law and, depending on the employee's contract, may be subject to negotiation.

■ Coronavirus Business Interruption Loan Scheme

What is it?	This scheme will provide UK SMEs that are experiencing lost or deferred revenues, leading to disruption to their cashflow, with access to loans, overdrafts, invoice finance and asset finance of up to £5m (for up to six years).
Who is eligible?	<p>SMEs from all sectors may apply. Businesses must be UK-based, with a turnover of no more than £45m.</p> <p>A company must have a borrowing proposal that the lender would ordinarily consider viable, and the lender must believe that providing finance will enable the firm to continue trading beyond any short- to medium-term difficulty.</p>
How does it work?	<p>The maximum facility is £5m, available on repayment terms of up to six years.</p> <p>The lender receives a government-backed 80% guarantee against the outstanding balance, subject to an overall cap per lender. There is no guarantee fee for SMEs to access the scheme (lenders will pay a fee).</p> <p>The government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so SMEs will benefit from no upfront costs and lower initial repayments.</p> <p>The scheme will be delivered through commercial lenders, backed by the British Business Bank. Visit its dedicated webpage for further information, including details of qualifying products and eligibility criteria.</p>
When will it start?	The scheme is open for applications, with funding likely to be provided from 1 April.
How do I apply?	<p>Applications need to be made via one of the 40 accredited lenders and partners, including all the major banks; a list can be found here.</p> <p>The British Business Bank advises businesses to apply via their lenders, but it provides further details of how to apply here.</p>
What else should I know?	<p>BOOST&Co cannot currently provide this scheme, but this may change in the next few weeks, so please return to our website to check for updates.</p> <p>For a faster decision, contact our funding partner Growth Lending Limited, which can provide receivables financing in a few days.</p>

■ HMRC Time to Pay

What is it?

This scheme enables companies and individuals in temporary financial distress as a result of Covid-19 to delay payment of outstanding tax liabilities.

Who is eligible?

All businesses that pay tax to the UK government and have outstanding tax liabilities are eligible.

How does it work?

Arrangements will be tailored to each company's circumstances and will be agreed on a case-by-case basis with HMRC.

How do I apply?

Call HMRC's dedicated Covid-19 helpline on 0800 0159 559, but be aware that the lines are currently extremely busy.

BOOST&Co's finance director, Edd Hatfield, advises businesses to keep a call log of their attempts to contact HMRC if they are unable to get through.

Hatfield also encourages companies to take the initiative. "Work out how you're going to pay your liabilities over time and make your own payment plan. Then, when you get through to HMRC, you can work it out from there," he says.

■ Covid-19 corporate financing facility

What is it?

This facility enables the Bank of England to buy short-term debt from larger companies. It aims to support these businesses by providing a swift and cost-effective way to raise working capital via the purchase of short-term debt.

Who is eligible?

The scheme targets companies that are fundamentally strong but have felt the impact of a short-term funding squeeze. It will enable them to continue financing their short-term liabilities, while also supporting corporate finance markets and easing the supply of credit to all firms.

How do I apply?

The scheme is open for applications. Visit the Bank of England's [webpage](#) for full eligibility criteria and further information on how to apply.

■ Insurance claims

Will I be able to make a claim?

Businesses that have cover for both pandemics and government-ordered closure should be able to make a claim on their insurance.

The government and insurance industry confirmed in March that advice to avoid pubs, theatres and other meeting-places provides sufficient grounds to make a claim, as long as all other terms and conditions are met.

What else should I know?

Insurance policies differ significantly, so check the terms and conditions of your policy and contact your provider.

■ VAT payments

What is the new policy?

Payments for the next quarter have been deferred, so no business will pay any VAT from now until the end of June.

How do I apply?

You don't need to – this offer will be applied automatically.

When does the offer expire?

Taxpayers have until the end of the 2020/21 tax year to pay any liabilities that accumulate during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

■ Income tax payments

What changes have been made?

Income tax payments due on 31 July under the self-assessment system have been deferred to 31 January 2021. No penalties or interest for late payment will be charged in the deferral period.

How do I apply?

You don't need to – this offer will be applied automatically.

What else should I know?

Only self-employed workers are eligible; the deferral does not apply to people who are in self-assessment but not self-employed.

It is understood that the deferral applies to taxpayers who were self-employed in the 2018/19 tax year, on which the payment-on-account is based.

■ Business-rates holiday and cash grants

What is it?

There will be a business-rates holiday for companies in the retail, hospitality and leisure sectors in England for the 2020/21 tax year.

Who is eligible?

All businesses in retail, hospitality and leisure, based in England – and if your rateable value is between £15,000 and £51,000, you will also receive a cash grant of up to £25,000 for each of your properties.

Any company in England that receives small business-rates relief, in any sector, will receive a cash grant of £10,000 (increased from the £3,000 announced in the chancellor's March budget).

How do I apply?

You don't need to – the business-rates holiday and cash grants will be delivered automatically by local authorities.

What else should I know?

Use the [government's business-rates calculator](#) to estimate how much you will no longer have to pay this year.

■ Statutory Sick Pay (SSP)

What help is the government offering?

Businesses with fewer than 250 employees on 28 February are eligible for a refund covering up to two weeks' statutory sick pay (SSP) for each employee who has been off work because of Covid-19.

If you are a director of a limited company with fewer than 250 employees, you may pay yourself two weeks of SSP if you need to self-isolate, subject to meeting the minimum payroll requirements for SSP. The government will refund £94 a week (i.e. a maximum of £188) to your firm.

When will it start?

The government aims to work with employers over the coming months to set up a repayment mechanism as soon as possible.

What else should I know?

Employers should maintain records of staff absences and payment of SSP, but employees do not need to provide a fit note from a GP.

■ Universal credit

What changes have been made?

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

■ Mortgage and rent holiday

What is it?

Mortgage borrowers and tenants can apply to lenders and landlords respectively for a three-month payment holiday. No one can be evicted from their home or have their property repossessed during the next three months.

Who is eligible?

Residential and buy-to-let mortgages both qualify.

What else should I know?

Borrowers still owe the amounts that they do not pay as a result of the payment holiday, and interest will continue to be charged on the amount they owe.

■ Self-Employed Income Support Scheme

What is it?

Self-employed workers will receive cash grants worth 80% of their average monthly trading profits over the past three years, up to a maximum of £2,500 a month.

Who is eligible?

The scheme is open to workers with a trading profit of less than £50,000 in the tax year 2018/19 or an average trading profit of less than £50,000 from 2016/17, 2017/18 and 2018/19. More than half of their income in these periods must come from self-employment.

How does it work?

The scheme, which is being designed by HMRC from scratch, will cover the three months to May.

When will it start?

Funding will not be available until June, when each cash grant will be paid as a lump sum covering all three months. The initiative may be extended if required.

How do I apply?

HMRC will identify eligible taxpayers and contact them with guidance on how to apply when the scheme opens.

They will be able to apply by filling in a simple online form. Cash grants will then be paid directly into their bank accounts.

What else should I know?

Those who pay themselves a salary and dividends through their own company are not eligible for this initiative, but their salary will be covered by the Coronavirus Job Retention Scheme if they operate PAYE schemes.

The initiative covers 95% of people who receive the majority of their income from self-employment, but some workers will miss out.

■ Further help for the self-employed

What other changes have been made?

The minimum income floor has been suspended for everyone affected by the economic impacts of the coronavirus outbreak, so self-employed workers can now access universal credit at a rate equivalent to statutory sick pay for employees.

Income tax payments due under the self-assessment system in July have been deferred to January 2021. No penalties or interest for late payment will be charged in the deferral period. This offer will be applied automatically – you don't need to apply.

- Download **BOOST&Co's guide to dealing with the coronavirus** [here](#)
- Read the **government's guidance on support for businesses** [here](#)
- Call **HMRC's dedicated Covid-19 helpline on 0800 0159 559**