

Help with paying your staff - Coronavirus Job Retention Scheme

Under the Coronavirus Job Retention Scheme, all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis.

All UK businesses are eligible.

You will need to:

- 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 will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

Deferring VAT payments

For VAT, the deferral will apply from 20 March 2020 until 30 June 2020.

All UK businesses are eligible.

This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

Deferring Income Tax – Self Assessment

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

If you are self-employed you are eligible.

This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period. HMRC have also scaled up their [Time to Pay offer](#) to all firms and individuals who are in temporary financial distress as a result of Covid-19 and have outstanding tax liabilities.

Support for businesses who are paying sick pay to employees:

The Government will pass legislation shortly to allow small and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.

The eligibility criteria for the scheme will be as follows:

- this refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
- employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note
- eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to those staying at home comes into force

We will keep you fully informed of any developments on when the repayment mechanism for employers will be finalised.

Support for businesses that pay business rates

There will be a business rates retail holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.

Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible.

A £25,000 grant will be provided to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value between £15,000 and £51,000.

Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority. Guidance for local authorities on the business rates holiday will be published by 20 March.

We will keep you informed of these developments as and when they happen.

Support for businesses that pay little or no business rates

Additional funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBRR) has been announced by the Government. This will provide a one-off grant of £10,000 to businesses currently eligible for SBRR or rural rate relief, to help meet their ongoing business costs.

If your business is eligible for SBRR or rural rate relief, you will be contacted by your local authority – you do not need to apply.

Funding for the scheme will be provided to local authorities by government in early April.

Guidance for local authorities on the scheme will be provided shortly.

We will keep you up to date with the latest news.

Support for businesses through the Coronavirus Business Interruption Loan Scheme

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch shortly to support businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. 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.

[This can be applied for from Monday 23rd March, contact your bank for further details.](#)

Support for businesses paying tax – Time to pay

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time to Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

If you are concerned about being able to pay your tax due to COVID-19, call HMRC's dedicated helpline on 0800 0159 559. Please talk to us if you want our help here.