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Dear Client,

We are writing to you to explain the various forms of assistance announced by the government in connection with the Corona Virus Pandemic.

We are not attempting to provide too much detail at this stage because a great deal of how the schemes work still has to be announced and what little has been announced has had significant changes. Rather we wish to indicate what schemes are likely to be of benefit to our clients so that those affected are ready to make the claims when they can be made either through us or independently.

For those who are classed as keyworkers or who are not employed, self-employed or employers many of the options noted below will be less relevant. However we will of course be pleased to help anyone who requires assistance in this area.

The schemes announced are as follows:

1) **Job Retention Scheme**

Who may claim	Any UK employer who was an employer on or before 20 th February.
Conditions for claiming	The employer continues to pay part of the employee's salary for any employee who would otherwise have been laid off. The employee must be put on furlough (holiday) during the payment period and may not carry out any work for the employer.
Amount of Benefit	80% of wage costs subject to a cap of £2,500 per month plus employers National Insurance Contributions. For the moment the benefit is available for March, April and May 2020.
Comments	This claim will be paid by HMRC who anticipates that it will not be able to process claims until the end of April.

2) Self Employed Income Support

Who may claim	<p>A self employed individual or a member of a partnership who:</p> <ol style="list-style-type: none">1) Has submitted a Self Assessment 2018/19 Tax Return.2) Has traded in 2019/20.3) Is trading at time of application or would be but for COVID 19.4) Intends to trade during 2020/21.5) Has lost trading/ partnership profits due to COVID 19.6) Has 2018/19 profits less than £50,000 or and these comprise more than half total taxable income or, if not, has average trading profits in 2016/17, 2017/18 and 2018/19 of less than £50,000 per annum which comprise more than half average taxable income in the same period.
	<p>Note: Where a person did not trade for the whole 3 year period 2016/17, 2017/18 and 2018/19 HMRC will use only the years for which a Self Assessment Tax Return has been filed.</p>
Conditions for claiming	<p>If a 2018/19 Tax Return has not been filed it must be filed by 23.04.20.</p>
Amount of Benefit	<p>80% of average monthly profits over the years 2016/17, 2017/18 and 2018/19 subject to a monthly cap of £2,500 payable for March, April and May 2020.</p>
Comments	<p>Those who are eligible will be contacted by HMRC directly once the scheme is operational and asked to complete an online form. This grant will be payable direct to your bank account by HMRC in one instalment.</p> <p>As things stand those who pay themselves a salary and dividends through their own company are not covered by the scheme but will be covered for their salary (but not dividends) by the Coronavirus Job Retention Scheme if they are operating PAYE schemes.</p>

3) Deferment of VAT payment to HMRC

Who may claim	<p>Any VAT registered business.</p>
Conditions for claiming	<p>The liability deferred must fall due for payment between 20.03.20 and 30.06.20.</p>

Benefit	Payment of liabilities may be deferred until 31.03.21. VAT Returns need to be filed with HMRC by the normal due date wherever possible, with records kept of the cause of any delays in case late filing penalties are charged in the future.
Comments	If you wish to avail yourself of this scheme there is no need to advise the VAT office. They are geared up to expect your payment on the revised date. However if you are paying by direct debit you will need to cancel your direct debit authority with your bank and then reinstate it in time for payment of your next VAT period after 30.06.20 (or make alternative payment arrangements).

**4) Deferral of Income Tax Payment
On Account due to HMRC**

Who may claim	Any taxpayer who is liable for payments on account of their 2019/20 income tax liability (the deferral covers the second instalment only, it does not extend to the first instalment which should already have been paid).
Conditions for claiming	The deferral covers the payment due by 31.07.20.
Benefit	Payment of the liability may be deferred until 31.01.21.
Comments	No penalties or interest will be charged in the deferral period. Deferral is automatic; a claim is not needed.

5) 'Time to Pay' Arrangement

Who may claim	Businesses and self-employed individuals who are struggling to pay tax liabilities due to COVID 19.
Benefit	The arrangement allows tax payments to be paid in instalments over a pre-agreed period with possible cancellation of penalties and interest and suspension of any ongoing debt recovery action.
Comments	Dedicated COVID-19 helpline: 0800 024 1222. At the time of writing opening hours are: Monday -to Friday 8am to 4pm. There may be a significant caller waiting time. Callers must have the appropriate tax reference number (e.g. UTR for self-employed individuals, CT reference number for companies, VAT reference number) as well as a bank account number and sort code for the tax payment / direct debit.

6) Deferment of Filing Accounts with Companies House

Who may claim	Limited companies who will have difficulty filing the company accounts on time because of COVID 19.
Conditions for claiming	Filing deadline has not yet passed. Companies that have already extended their filing deadline or shortened their accounting reference period may not be eligible.
Benefit	By making an application an automatic three-month extension is given to the filing deadline. A late payment penalty will not be issued.
Comments	Application must be through the fast-tracked online application system. An automatic penalty will be imposed if an application is not made and the accounts are filed late.

7) Businesses paying Sick Pay to Employees

Who may claim	Any small or medium sized UK based business or employer paying Statutory Sick Pay for staff absence due to COVID 19.
Conditions for claiming	The employer must have less than 250 employees as of 20.02.20. Record of staff absences and SSP payments must be maintained. Scheme will not operate until legislation is operative.
Benefit	Up to a maximum 2 weeks SSP paid to any employee.

8) Business Rates Holiday for Retail, Hospitality and Leisure Businesses

Who may claim	England based business in the described sectors.
Conditions for claiming	Must occupy a property with rateable value of over £15,000 and under £51,000.

Benefit Cash grant of £25,000.

9) Support for Businesses paying little or no Business Rates

Who may claim England based business occupying property and in receipt of Small Business Rate Relief.

Conditions for claiming Property must be occupied for the purposes of the business.

Amount of benefit Cash grant of £10,000.

10) Coronavirus Business Interruption Loan

Who may claim UK businesses that have been affected by COVID-19 and that have annual turnover of up to £45 million.

Conditions for claiming The business must have a borrowing proposal which, were it not for COVID-19, would be considered viable by the lender, and for which it believes the provision of finance will enable the business to trade out of any short-to-medium term difficulty.

Benefit Loans of up to £5 million can be made for up to 6 years. The government will make a Business Interruption Payment to cover the first 12 months of interest payments and any arrangement fees.

Comments Offers differ from lender to lender. A clear explanation of the impact of COVID-19 on the business and details of the steps that have been taken to address this through use of the schemes set out in the document will strengthen the application. While the Government will provide lenders with a guarantee of 80% on each loan subject to an overall cap, the borrower remains 100% liable for repayment of the debt.

11) Mortgage Holiday

Who may claim Homeowners and buy-to-let landlords who are concerned about meeting repayments e.g. due to loss of

work, or where landlords have tenants who have been financially affected by COVID-19.

Conditions for claiming

An application must be made to the lender. The mortgage holder must be up to date on mortgage payments. Homeowners will need to self-certify that their income has been directly or indirectly affected by COVID-19; landlords will need to self-certify that their tenants' income has been affected. Landlords would be expected to pass on the relief to their tenants. There is no need to have contracted COVID-19 to apply.

Benefit

Three-month mortgage payment holiday.

Comments

This is one of several options that can be offered by lenders to help during this time. Interest will continue to accrue on the mortgage. After three months, the lender will discuss with the mortgage holder manageable ways to make up the payments.

We hope this precis gives you the information to enable you to formulate your thoughts about the claims you need to consider making. We shall be pleased to be of further assistance. Please read the Appendix overleaf if you also require information on Universal Credit and/or the Employment and Support Allowance.

Kind Regards.

Palmer, Riley & Co

APPENDIX - Universal Credit and /or New Style Employment and Support Allowance

Those who suffer financial loss because of COVID-19 may be eligible for one or both of the above allowances as set out below.

Universal Credit

The Government has temporarily increased the standard allowance and removed the minimum income floor (an assumed level of income) for all new and existing Universal Credit claimants and for existing Working Tax Credit claimants. The amount available depends on factors including:-

- Your income - receipt of a grant through the Self-employment Income Support Scheme will be treated as income and the universal credit payment will be adjusted according to income changes although those responsible for children, or who have a disability or health condition that affects their ability to work can earn up to a certain amount before any reduction.
- Whether you are over or under 25 (you or your partner must be under State Pension age).
- Whether you live with a partner or not.
- If you have children and how many.
- If you're a carer of a disabled person.
- Rent levels (if applicable).
- Savings - If you or your partner have combined savings of more than £6,000 you will receive less and you won't be eligible at all if your household has savings of £16,000.
- Other benefits received - some are ignored e.g. child benefit but others e.g. jobseekers' allowance or employment and support allowance reduce your entitlement.

Please note that for those currently receiving working and / or child tax credits an application for Universal Credit for extra financial support (e.g. to claim help with paying your rent) will bring your tax credit claim to an end and it is unlikely to be reinstated at a later date.

Eligibility can be checked and an application made at: www.gov.uk/universal-credit/eligibility. The Universal Credit helpline can be contacted on: 0800 328 5644 if you have a question about your claim or cannot use the online service. New claimants usually have to wait around five weeks before receiving their first monthly payment although they can apply to receive an advance in the days immediately following their claim

New Style Employment and Support Allowance (ESA)

Both employed and self-employed workers who are not eligible to receive sick pay can apply for this support if directly affected by coronavirus, caring for a child who is ill with coronavirus or following Government guidance on self-isolation. It is unclear at the time of writing if people who fall into the social distancing group are entitled to ESA.

Eligibility is from the first day of sickness/self-isolation rather than the eighth, as is usual. This is not yet in operation but it will be backdated to 13th March. Payments are made fortnightly in arrears.

Eligibility:-

- You must be under State Pension age.
- You cannot get ESA at the same time as Statutory Sick Pay, Statutory Maternity Pay or Jobseeker's Allowance.
- You must have paid or been credited with enough National Insurance contributions in the 2 full tax years before the year you're claiming in.
- For those also receiving Universal Credit the New Style ESA you are paid will reduce your Universal Credit payment by the same amount.
- Savings (yours or your partner's) and most income do not affect ESA although receipt of a private pension of over £85 per week will reduce the amount received.

The amount received is up to £73.10 a week for those aged 25 or over; £57.90 a week for under 25s (more if you are doing 'permitted work' of less than 16 hours per week because of a disability). While you receive New Style ESA you'll earn Class 1 National Insurance credits, which can help towards your State Pension and other contributory benefits in the future.

More information about New Style ESA can be found at:

<https://www.gov.uk/guidance/new-style-employment-and-support-allowance>