

UK Government financial support for business, employees and self-employed
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In the Budget 2020 on Wednesday 11 March, the Chancellor announced significant support for businesses and individuals to financially survive the coronavirus pandemic. This evolved throughout the summer with more support and schemes extended.

On 24 September 2020, Rishi Sunak announced the Government's Winter Economy Plan designed to continue to help businesses and individuals in light of the re-introduced social restrictions and the rising coronavirus cases.

On 9 October 2020, Rishi Sunak said that the Job Support Scheme will be expanded to protect jobs and support businesses required to close their doors as a result of coronavirus restrictions.

You can find more details of the latest announcement below.

Please note this guide is intended to inform you and your clients about the financial support packages available. We know that some businesses may not qualify for some of the support and you should check with the relevant authorities for your own business and your clients individually.

Expanded Job Support Scheme

- Firms whose premises are legally required to shut for some period over winter as part of local or national restrictions will receive grants to pay the wages of staff who cannot work.
 - The government will support eligible businesses by paying two thirds of each employees' salary (or 67%), up to a maximum of £2,100 a month.
 - Under the scheme, employers will not be required to contribute towards wages and only asked to cover NICs and pension contributions, a very small proportion of overall employment costs.
 - Businesses will only be eligible to claim the grant while they are subject to restrictions and employees must be off work for a minimum of seven consecutive days.
 - The scheme will begin on 1 November 2020 and will be available for six months, with a review point in January 2021. In line with the rest of the Job Support Scheme, payments to businesses will be made in arrears, via a HMRC claims service that will be available from early December.
 - The scheme is UK wide.
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- In addition to expansion of the Job Support Scheme, the government is increasing the cash grants to businesses in England shut in local lockdowns to support with fixed costs. These grants will be linked to rateable values, with up to £3,000 per month payable every two weeks, compared to the up to £1,500 every three weeks which was available previously. This could benefit hundreds of thousands of businesses, including restaurants, pubs, nightclubs, bowling alleys and many more.
 - The devolved administrations in Scotland, Wales and Northern Ireland will benefit from a £1.3 billion increase to their guaranteed funding for 2020-21 - allowing them to continue their response to coronavirus including through similar measures if they wish.

Main Job Support Scheme

- This effectively replaces the Coronavirus Job Retention Scheme (more commonly referred to as the “furlough” scheme) which ends on 31 October 2020.
- The Job Support Scheme will be introduced from 1 November 2020 and will last for 6 months.
- The new Scheme applies to all small and medium sized businesses. For larger businesses, they will only be eligible where their turnover has fallen and the government expects that large employers will not be making capital distributions (such as dividends), while using the scheme.
- Businesses are eligible even if they have not previously used the “furlough” scheme.
- Employees will need to work a minimum of 33% of their usual hours.
- For every hour not worked the employer and the government will each pay one third of the employee’s usual pay, and the government contribution will be capped at £697.92 per month.
- Employees using the scheme will receive at least 77% of their pay, where the government contribution has not been capped.
- The employer will be reimbursed in arrears for the government contribution.
- The employee must not be on a redundancy notice.
- The Scheme does not cover pension contributions and national insurance contributions payable by the employer.
- Details on how employers should calculate the auto-enrolment pension contributions (both employer and employee) under new Jobs Support Scheme will be provided in the next few days.

SEISS Grant Extension

- The existing Self-employment Income Support Scheme (SEISS) is being extended.
- The new grant will be limited to self-employed individuals who are currently eligible for the existing scheme and are actively continuing to trade but are facing reduced demand due to coronavirus (although they do not have to have claimed the previous grants).
- Therefore, individuals who have claimed under the existing scheme’s first grant but have not yet claimed the second grant and are eligible, should do so.
- The new scheme will be introduced from 1 November 2020 and will last for 6 months
- The extension will be in the form of two taxable grants.
- The first grant will cover a three-month period from the start of November 2020 until the end of January 2021. This initial grant will cover 20% of average monthly trading profits, paid out in a single instalment covering 3 months’ worth of profits, and capped at £1,875 in total.
- The second grant will cover a three-month period from the start of February 2021 until the end of April 2021. The government will review the level of the second grant and set this in due course.

VAT deferral “New Payment Scheme”

- If you’re a UK VAT registered business and had a VAT payment due between 20 March 2020 and 30 June 2020, you had the option to:
 - defer the payment until a later date
 - pay the VAT due as normal
- Over half a million businesses deferred VAT payments
- The government will now give these businesses the option to spread their payments over the financial year 2021-2022.
- Rather than paying in full at the end of March 2021, businesses will be able to choose to make 11 equal instalments over 2021-22.

Enhanced Time to Pay for Self-Assessment taxpayers

- If you were due to pay a self-assessment payment on account by 31 July 2020, then you were able to defer payment until January 2021.
- The government will now give the self-employed and other taxpayers more time to pay taxes due in January 2021.
- Taxpayers with up to £30,000 of Self-Assessment liabilities due will be able to use HMRC's self-service Time to Pay facility to secure a plan to pay over an additional 12 months.
- This means that Self-Assessment liabilities due in July 2020 will not need to be paid in full until January 2022.

Extension of access to finance schemes

- The government is extending new applications for the following four business loan schemes to 30 November 2020:
 - Coronavirus Bounce Back Loan Scheme
 - Coronavirus Business Interruption Loan Scheme
 - Coronavirus Large Business Interruption Loan Scheme
 - Future Fund

Pay as you Grow

- The government will give all businesses that borrowed under the Coronavirus Bounce Back Loan Scheme the option to repay their loan over a period of up to ten years.
- This will reduce their average monthly repayments on the loan by almost half.
- UK businesses will also have the option to move temporarily to interest-only payments for periods of up to six months (an option which they can use up to three times), or to pause their repayments entirely for up to six months (an option they can use once and only after having made six payments).

CBILS loan extension

- The government intends to allow Coronavirus Business Interruption Loan Scheme lenders to extend the term of a loan up to ten years.