

## Covid-19 Rules

- A. [Self-employed and/or Members of Partnerships,](#)
- B. [A General Business,](#)
- C. [Employers and](#)
- D. [Employees & the company directors who receive Salaries through PAYE scheme.](#)

### What you need to know if you are:

#### **1. Self-Employed and/or Members of Partnership:**

New Self-Employed Income Support Scheme (SEISS) will be available for the Self-employed people and Members of Partnerships who will be able to apply for a grant worth 80% of their average monthly profits over the last three years, up to £2,500 a month to help them cope with the financial impact of coronavirus. This grant will be available in June 2020. The following key points are important to note at this stage:

1. The government to set up a new **Self-Employed Income Support Scheme (SEISS)** to support self-employed individuals and members of partnerships whose income has been negatively impacted by COVID-19;
2. The taxable grant will pay 80% of average profits, not revenue, over the last 3 financial years, capped at £2,500 per month and will be available for at least the next 3 months;
3. The total grant will be paid directly by bank transfer in June 2020, in one instalment;
4. Unlike the governments COVID-19 Coronavirus Job Retention Scheme, it was confirmed that self-employed individuals can claim the grant and continue to do business;
5. The Chancellor confirmed HMRC will automatically contact self-employed individuals who have filed a tax return. There is no need to apply but there will be a simple online form to complete;
6. The scheme will be open to those with a trading profit of less than £50,000 in 2018-19 or an average trading profit of less than £50,000 from 2016-17, 2017-18 and 2018-19. This is calculated as follows:-HMRC will add together the total trading profit for the 3 tax years (where applicable) then divide by 3 (where applicable), and use this to calculate a monthly amount;
7. Anyone with trading profits over £50,000 will not be eligible;
8. Anyone that missed the filing deadline in January 2020 have until 23 April 2020 to file tax return but will be "risk assessed".
9. 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 only by the Coronavirus Job Retention Scheme if they are operating PAYE schemes and were on the payroll in February 2020;
10. To minimise fraud, the scheme will only be available to those who receive more than half of their income from self-employment;
11. The Government and HMRC have stated several times that the grant is only available for those that have been negatively impacted by COVID-19 and presume this will be questioned on the "simple online form" mentioned above;
12. The scheme also applies to members of partnerships;

13. It was confirmed those that very recently become self-employed i.e. in the 2019/20 tax year would not be eligible but will be able to access **Universal Credit**, and the Minimum Income Floor (an assumed level of income) will not be applied for a period of time whilst you are affected. From 6 April the requirements of the Minimum Income Floor will be temporarily relaxed. This change will apply to all Universal Credit claimants and will last for the duration of the outbreak. New claimants will not need to attend the jobcentre to demonstrate gainful self-employment.
14. It is confirmed the grants will be taxable, and we understand they will need to be declared on the 2020/21 tax return due in January 2022;
15. Moreover, it has previously been confirmed that the upcoming **self-assessment payments due on 31 July 2020 will be deferred to January 2021**. This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

Detailed guidance on the above points can be accessed on the government's website:

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

## 2. A General Business (Guidance including Loan/Grant Schemes):

The following key points highlight the guidance on the government's support for all the businesses which have been affected by the Covid-19 Pandemic.

1. **Deferring VAT and Income Tax payments.** For VAT, the deferral will apply from 20 March 2020 until 30 June 2020 and for Income Tax Self-Assessment, payments due on the 31 July 2020 may be deferred until 31 January 2021.
2. A 12-month **business rates holiday** for all retail, hospitality, leisure and nursery businesses in England. There is no action for you. This will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible;
3. **Small business grant funding of £10,000** for all business in receipt of small business rate relief or rural rate relief. You do not need to do anything. Your local authority will write to you if you are eligible for this grant. Any enquiries on eligibility for, or provision of, the reliefs and grants should be directed to the relevant local authority;
4. **Grant funding of £25,000** for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000;
5. The **Coronavirus Business Interruption Loan Scheme (CBILS)** offering loans of up to £5 million for SMEs through the British Business Bank which operates CBILS via its accredited lenders. CBILS gives the lender a government-backed guarantee for the loan repayments to encourage more lending. The borrower remains fully liable for the debt however the Government pays interest and fees for 12 months. The loan will also be dependent upon the British Business Bank eligibility criteria. To be eligible for the loan your business has to have an annual turnover of no more than £45 million. The scheme is now open for applications. All major banks are offering this scheme. To apply, you should talk to your bank and discuss your business plan. For detailed guidance, please click on the following website:  
<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/>
6. A new **lending facility from the Bank of England** to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans;
7. The **HMRC Time To Pay Scheme**. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. please call HMRC's dedicated helpline: 0800 0159 559;
8. Commercial tenants who cannot pay their rent because of COVID-19 will be **protected**

**from eviction.** These measures will mean no business will automatically forfeit their lease and be forced out of their premises if they miss a payment up until 30 June. This is not a rental holiday. All commercial tenants will still be liable for the rent. Commercial tenants are protected from eviction if they are unable to pay rent.

9. Because some elements of business support are devolved, the measures you can access may differ if your **business is in Scotland, Wales or Northern Ireland.**

Detailed guidance on the above points can be accessed on the government's website:

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

### 3. An Employer

If you are an employer and pay your employees by PAYE scheme, then you can avail the benefits discussed below:

#### 1. A Coronavirus Job Retention Scheme:

All UK Businesses are eligible for this scheme under which you do not have to lay off your employee. Alternatively, you will need to:

- designate affected employees as 'furloughed workers,' and notify your employees in writing 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.

#### 2. A Statutory Sick Pay relief package for small and medium sized businesses (SMEs):

The government will bring forward legislation 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. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website
- eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible

#### 3. Statutory Maternity Pay (SMPs):

If any of your employee is eligible for Statutory Maternity Pay (SMP) or Maternity Allowance, the normal rules apply, and she will be entitled to claim up to 39 weeks of statutory pay or allowance. If she qualifies for SMP, she will still be eligible for 90% of her average weekly earnings in the first 6 weeks, followed by 33 weeks of pay paid at 90%

of her average weekly earnings or the statutory flat rate (whichever is lower). The statutory flat rate is currently £148.68 a week, rising to £151.20 a week from April 2020.

#### **4. Good practices for employers are:**

- keep everyone updated on actions being taken to reduce risks of exposure in the workplace
- ensure employees who are in a vulnerable group are strongly advised to follow social distancing guidance
- make sure everyone's contact numbers and emergency contact details are up to date
- make sure managers know how to spot symptoms of coronavirus (COVID-19) and are clear on any relevant processes, for example sickness reporting and sick pay, and procedures in case someone in the workplace is potentially infected and needs to take the appropriate action
- make sure there are places to wash hands for 20 seconds with soap and water, and encourage everyone to do so regularly
- provide hand sanitiser and tissues for staff, and encourage them to use them

Detailed guidance on the above points can be accessed on the government's website:

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

## **4. Employees and the company directors who receive Salaries through PAYE scheme.**

If you have symptoms of coronavirus infection (COVID-19), however mild, stay at home and do not leave your house for 7 days from when your symptoms started.

If you live with others and you are the first in the household to have symptoms of coronavirus, then you must stay at home for 7 days, but all other household members who remain well must stay at home and not leave the house for 14 days. The 14-day period starts from the day when the first person in the house became ill.

### **1. Sick pay**

You can get £94.25 per week Statutory Sick Pay (SSP) if you're too ill to work. It's paid by your employer for up to 28 weeks.

If you are staying at home because of COVID-19 you can now claim SSP. This includes individuals who are caring for people in the same household and therefore have been advised to do a household quarantine.

To check your sick pay entitlement, you should talk to your employer.

### **2. Proof of sickness**

If you have COVID-19 or are advised to stay at home, you can get an 'isolation note' by visiting NHS 111 online, rather than visiting a doctor. For COVID-19 cases this replaces the usual need to provide a 'fit note' (sometimes called a 'sick note') after 7 days of sickness absence.

### **3. If you are not eligible for Statutory Sick Pay (SSP)**

If you are not eligible for SSP – for example if you are earning below the Lower Earnings Limit of

£118 per week – and you have COVID-19 or are advised to stay at home, you can now more easily make a claim for Universal Credit or new style Employment and Support Allowance.

If you are eligible for new style Employment and Support Allowance, it will now be payable from day 1 of sickness, rather than day 8, if you have COVID-19 or are advised to stay at home.

#### 4. Furloughed workers

If your employer cannot cover staff costs due to COVID-19, they may be able to access support to continue paying part of your wage, to avoid redundancies.

If your employer intends to access the Coronavirus Job Retention Scheme, they will discuss with you becoming classified as a furloughed worker. This would mean that you are kept on your employer's payroll, rather than being laid off. Once agreed your employer must write to you confirming you have been furloughed to be eligible to claim.

To qualify for this scheme, you should not undertake work for them while you are furloughed. This will allow your employer to claim a grant of up to 80% of your wage for all employment costs, up to a cap of £2,500 per month.

You will remain employed while furloughed. Your employer could choose to fund the differences between this payment and your salary, but does not have to.

If your salary is reduced as a result of these changes, you may be eligible for support through the welfare system, including Universal Credit.

The government intends for the Coronavirus Job Retention Scheme to run for at least 3 months from 01 March 2020, but will extend if necessary.

Further guidance on Job Retention Scheme can be found at government website:

<https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme#check-if-youre-eligible>

#### 5. Support for rent costs

You should check your eligibility for Universal Credit, which is available for people in and out of work. Support for rental costs will be paid through Universal Credit.

#### 6. Limited Companies Directors

Directors who pay themselves a salary and dividends through their own company are not covered by the Self-Employed Income Support scheme but will be covered for their salary only by the Coronavirus Job Retention Scheme if they are operating PAYE schemes and were on the payroll in February 2020.

Detailed guidance on the above points can be accessed on the government's website:

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

### HMRC Helpline for Businesses and Self-Employed People

HMRC has set up a phone helpline to support businesses and self-employed people concerned about not being able to pay their tax due to coronavirus (COVID-19).

The helpline allows any business or self-employed individual who is concerned about paying their tax due to coronavirus to get practical help and advice. Up to 2,000 experienced call handlers are available to support businesses and individuals when needed.

If you run a business or are self-employed and are concerned about paying your tax due to coronavirus, you can **call HMRC's helpline** for help and advice: **0800 024 1222**.

For **FREE ADVICE** please [Contact Us](#) or visit our [Website](#)