



# Cardens Fact Sheet: Covid-19 advice

Updated 27 March 2020

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We are all feeling the impacts of Covid-19 in both our businesses and in our daily lives.

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Over the past week the government have been reacting to Covid-19 by introducing several reliefs and support for your businesses to help negate this extremely challenging and unprecedented time in our lives.

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To help, we have taken the time to list these reliefs and more importantly when and where you can access them.

## Summary of all the government support

Relief	Business (paying business rates & employee)	Business (paying business rates & no employee)	Business (with employee only)	Self Employed or Partnership (no staff)
Small Business Rates scheme	You will receive a grant of £10k	You will receive a grant of £10k	N/A	N/A
Business Retail Scheme	Depend on your sector you may receive a grant of £25k + 100% rates holiday for the tax year end 5 April 2021.	Depend on your sector you may receive a grant of £25k + 100% rates holiday for the tax year end 5 April 2021.	N/A	N/A
Coronavirus Job Retention Scheme	You can access a grant to cover 80% of wages up to £2.5k	N/A	You can access a grant to cover 80% of wages up to £2.5k	N/A
Self-employment Income Support Scheme	N/A	N/A	N/A	You can access a grant to cover 80% of your Av taxable profits or up to £2.5k
Statutory Sick Pay (SSP)	If employees are sick and need to self isolate, you can access 2 weeks SSP.	N/A	If employees are sick and need to self isolate, you can access 2 weeks SSP.	N/A
Coronavirus Business Interruption Loan Scheme (CBILS)	Access to a 12 month interest free loan between the values of £1,000 - £5m			
Deferral of VAT payments	Yes, if the business is VAT registered, you can no defer the payment of your liability until 5 April 2021.			
Deferral of 2nd Payment on account	N/A	N/A	N/A	If a payment was due, this has now been moved to your 31 January 2021.
Time to Pay	Open to all businesses and self-employed and relates to all taxes.			
Universal Credit	Open to all on low incomes or Self-Employed. This is currently the only financial support being offered to people who are Self-Employed			

## Coronavirus Job Retention Scheme (CJRC) (A non refundable Grant)

The aim of this relief is to support all businesses retain their employees and is therefore, open to all businesses regardless of sector.

The grant will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. It is then down to the business to decide if they wish to fund the difference between this payment and the employee's normal salary.

Currently, this relief is in place for 3 months (31 May 2020) and is in place from the 1 March 2020.

As this grant linked to the PAYE system and does NOT cover people paid as partners of a partnership or by dividends from a company.

Important things to note;

- Is the Grant paid Net or the Gross wages? *Gross, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage.*
- Is the Grant is liable to PAYE & National Insurance? *Yes*
- What is the 80% based on? *Your February wages*
- If an employee has been working March, can you back date the claim to 1 March? *No*
- Can new employees added to the payroll in March be classed as furlough? *No*

To claim the funding the employee must be classed as a “furloughed worker” and the employee MUST be notified. Furthermore, the employee MUST also be classed as furloughed for a minimum of 3 weeks.

This information needs to be declared to HMRC via your payroll submissions. Therefore, you must share this information with the person running your payroll as soon as you know in order to access this relief.

So what is a furloughed worker? Our current understanding is that is defined as “a workforce who remain on payroll but are temporarily not working during the coronavirus outbreak” per GOV.UK [news story](#).

Therefore, it is important to consider that this grant is designed to help businesses that must **close or downsize its workforce** to stay in business.

To help you understand this grant in numbers please see the below table;

Gross yearly wages	£20k	£30k	£40k
Monthly Gross	£ 1,666.67	£ 2,500.00	£ 3,333.33
Covered by CFRC grant	£ 1,333.33	£ 2,000.00	£ 2,000.00
Still payable by business - Optional	£ 333.33	£ 500.00	£ 1,333.33

# Statutory Sick Pay (SSP)



Increased Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19, which will refund up to 2 weeks (£94.25 per week) SSP per eligible employee who has been off work as a result of COVID-19.

Employers should maintain records of staff absences, 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 self-isolators comes into force (TBC).

The government will work with employers over the coming months to set up the repayment mechanism as soon as possible (possibly via the RTI system). Therefore, if we prepare your payroll, we can help ensure this is claimed correctly.

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## Small Business Rates Relief

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**As was already the case businesses renting a single commercial property with a rateable value of less than £15,000 can get relief of up to 100% on their rates.**

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**You can find your rateable value by following the link and entering your postcode: <https://www.gov.uk/correct-your-business-rates>**

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**Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority. Guidance for local authorities on the application of the expanded retail discount will be published by 20 March - <https://www.gov.uk/contact-your-local-council-about-business-rates>**



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# Business Rates Retail Scheme

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If you run a retail, hospitality, leisure or now a letting or estate agent business, the £51,000 upper limit on the rateable value of your property has been removed. As a result all businesses in this sector will now get a business rate holiday. Furthermore, if your business was in the scheme for 2019/20, your 2020/21 bill will automatically be updated shortly.

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You can find your rateable value by following the link and entering your postcode:

<https://www.gov.uk/correct-your-business-rates>

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Finally, you can check if your business is included within this definition by checking the following document. But in short most shops, restaurants, cafés, bars or pubs are included.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/873622/Expanded\\_Retail\\_Discount\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873622/Expanded_Retail_Discount_Guidance.pdf)

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## Government Grants (non repayable) – only for businesses with a premises

### For Businesses already in the Small Business Rate Relief - Rateable Value under £15,000

A one-off non-repayable grant of up to £10,000 is being given to all businesses in receipt of small business rate relief (SBRR) under the current scheme.

This grant is designed to help businesses pay for the ongoing costs of running their business, like wages and rent during this difficult time.

The £2.2bn made available by the government is being pushed out to local authorities in early April and if your business is eligible for SBRR, **you will be contacted by your local authority automatically – you do not need to apply.**

## **Government Grants (non repayable) – only for businesses with a premises in the retail, hospitality and leisure sectors.**

If the rateable value of your premises is between £15,000 - £51,000 and you operate in this sector (see link below for full details), you will be eligible for a cash grant of up to £25,000 via their local authority.

Further details are expected within a few days, so if this applies to your business, please look out for the updates from us via social media, as well as HMRC via gov.uk.

Finally, you can check if your business is included within this definition by checking the following document. But in short most shops, restaurants, cafés, bars or pubs are included.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/873622/Expanded\\_Retail\\_Discount\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/873622/Expanded_Retail_Discount_Guidance.pdf)

## Coronavirus Business Interruption Loan Scheme (CBILS)

For additional support or for businesses that don't qualify for a grant, the government has also introduced the temporary Coronavirus Business Interruption Loan Scheme or (CBILS).

The value of these loans can be as much as £5m, with repayment terms of up to 6 years.

Currently, there is no official start date for application, but it is expected to go live in a matter of weeks, so mid April.

A full list of the lenders including the big four banks is here - <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders>

Funding under the scheme can be classed as a loan, overdrafts or asset-based lending secured on equipment or invoices. Therefore, it is worth keeping an eye on the banks website or talking to your bank manager (if you are lucky enough to still have one).

To help support the banks, the government is guaranteeing 80% on each loan.

Furthermore, the first 12 months of the finance is interest free, as the government will cover the interest payments.

## Coronavirus Business Interruption Loan Scheme (CBILS) – Continued

In regards to the application itself, this will likely be like any normal loan application. Therefore, you will need to provide the lender with the relevant information to support your application and we will be here to help.

But it is important to remember that the you will always remain 100-per-cent liable for the debt.

It's also worth noting that banks have warned that the £1.2bn set aside for this scheme may be too small and the rules too complex for this relief to be truly effective. Therefore, if this is something you wish to apply for, it is important to do so as soon as possible.

Finally, to be eligible for support via CBILS, the business must:

- Be based in the UK, with annual turnover not exceeding £41 million.
- Operate within an eligible industrial sector – here is a list of Ineligible sectors –
  - <https://www.british-business-bank.co.uk/wp-content/uploads/2020/03/Ineligible-and-Restricted-Eligibility-Sector-2017.pdf>
- Have a sound borrowing proposal, but insufficient security to meet a lender's normal requirements.
- Be able to confirm that they have not received de minimis State aid beyond €200,000 equivalent over the current and previous two fiscal years.

## Deferral of upcoming VAT

As of now, all businesses regardless of sector, are eligible to defer their VAT payment until the 30 June 2020.

This means no business is required to make a VAT payment between the 20<sup>th</sup> March and 30<sup>th</sup> June.

This scheme is automatic 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 (31 March 2021) to pay any liabilities that have accumulated during the deferral period.

If you pay your VAT liability via Direct Debit and wish to defer this payment. We suggest that you cancel you DD before the payment is taken.

**But more importantly, any VAT refunds and reclaims will be paid by the government as normal.**

However, please note that the business is still be required to file a VAT return as normal for these quarters.

## Deferral of upcoming 2<sup>nd</sup> payment on account for Self-Assessment (Income tax)

If you were due to make a payment on account by 31 July 2020, this has now been removed and rolled into your 31 January 2021 payment.

It's worth remembering that these payments relate to your Self-Assessment tax returns for the tax year ended 5 April 2020.

**This is an automatic offer with no applications required and no penalties or interest for late payment will be charged in the deferral period.**

## Time To Pay service

The good news is this applies to all taxes, VAT, PAYE & National Insurance, Corporation Tax and Self-Assessment Income Tax.

It's also been reported that HMRC is not asking for or in some cases only requiring minimal evidence to support the extending of their payment deadlines for the foreseeable future.

For those who are unable to pay due to coronavirus, HMRC will discuss your specific circumstances to explore:

- agreeing an instalment arrangement
- suspending debt collection proceedings
- cancelling penalties and interest where you have administrative difficulties contacting or paying HMRC immediately

These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. Therefore, we advise you to have this conversation with HMRC directly. However, you can of course discuss this with your account manager before making the call.

HMRC's dedicated helpline is 0800 0159 559. The helpline is open from Monday to Friday 8am to 8pm, and Saturday 8am to 4pm (excluding bank holidays).



## Companies House Extension

Companies House is now automatically granting a three month extension to file company accounts, according to the Financial Reporting Council (FRC).

However, in order to access this extension you must still apply. Therefore, if this is something you wish to use, please contact your Cardens account manager.

Further guidance can be found [here](#).



## IR35 for the private sector.



It was announced on the 17 March 2020 that the rule change will be delayed for 12 months, pushing this back to April 2021.



As a result, if you were working as a contractor and your customer deems you inside IR35 from the 6 April 2020? You can now continue trading through your limited company as you were currently until 2021.

## Self-employment Income Support Scheme (inc Partnerships)

On the 26 March 2020, the Government finally announced it's plans to support Self-Employed workers.

This scheme is open to self-employed workers who;

- Submitted a 2018/19 tax return.
- Is still trading in 2019/20 and furthermore, will continue to trade in 2020/21.
- Has lost trade because of COVID19.
- Your taxable profits (this income less costs) was less than £50k in 2018/19 (and on average over the last three tax year's).
- Your self-employment taxable income is more than 50% of your total taxable income. Therefore, if you get most of your income from employment, rental properties or investments, this will impact on your ability to access this grant.

This scheme will allow self-employed working to access a grant for the next 3 months up to lower of;

- 80% of your trading profits (so income after costs). The grant is based on your average profits for the last three tax years (16/17, 17,18 & 18/19).
- £2,500

## Self-employment Income Support Scheme (inc Partnerships) – continue

This scheme is SO NEW, you cannot apply for it yet (as at 27 March 2020). However, per the guidance, HMRC will contact you if you are eligible and invite you to apply.

Once you have submitted your application to HMRC, they will consider your application and if your eligible for the grant.

If you are eligible, HMRC will work out the value of your grant based on your filed tax returns, before contacting you to tell you how much you will get and the payment details.

The grant will be paid directly into your bank account in ONE INSTALMENT. At present we don't know when HMRC will start this process.

Finally, WATCH OUT FOR FRAUD! You will only access this scheme through [GOV.UK](https://www.gov.uk). Therefore, if someone texts, calls or emails claiming to be from HMRC, saying that you can claim financial help or are owed a tax refund, and asks you to click on a link or to give information such as your name, credit card or bank details, it is a scam.

## Universal Credit for Self-Employed and Low Income workers

You can apply for [Universal Credit](#) if you are self employed or on a low income.

When applying as a self-employed individual you will need to show that;

- Self-employment is your main job or your main source of income
- You get regular work from self-employment
- Your work is organised – this means you have invoices and receipts, or accounts
- You expect to make a profit

Further details can be found here -

<https://www.understandinguniversalcredit.gov.uk/new-to-universal-credit/self-employment/>

It's worth noting that currently it is taking around 5 weeks for the first payment to be made for each successful application. The amount of credit you receive will depend on your circumstance, but the credit starts at £251.77 a month for a single person under 25 year of age. However, the Government has announced a further increase to the credit of up to £1,000 a year or around £83 a month.

**You can complete the online application from here -** <https://www.gov.uk/apply-universal-credit>

## Insurance – don't forget to check!

Although this is not a relief from the Government or HMRC. Please don't forget to check your insurance policy and check with them to see if you have cover for forced closure of your business.

In many cases businesses are unlikely to be covered as most business interruption insurance policies are dependent on damage to property, which will exclude pandemics.

This has been supported by Noel Preston, founder of Preston Insurance Brokers who in a latest update states;

*Whilst the Government has been working with the insurance industry, currently, cover is only available for those with specific pandemic cover (which is not a standard cover under most policies) or potentially if the insurer has not listed specified infectious diseases or illnesses cover within their policy - most insurers do list the diseases they will provide cover for as standard practice.*

## General Advice

It's also important to consider what measures you can do to help protect your business at this time.

Things to consider are;

- **Reducing costs** – Ask yourself if there is anything you can do without right now? Or any projects that can wait until after this crisis.
- **Staff** – It is worth checking your contracts or with your HR department/advisor about what action you can take to reduce your staffing costs during this time.
- **Reduced hours** – Consider reducing your fixed overheads by working from home or closing. If the premises running costs is more than the income it generates, it is worth looking at closing or reducing the hours to keep the overheads to a minimum.
- **Payment holiday** – Do any of your contracts contain payment holidays, for example rent or finance? If they do, it maybe a good idea to activate them now to help reduce your outgoings.
- **Cashflow** – It's important to plan, therefore, working out both you personal and business cashflow for the next 3 months is vital.

## What are Cardens doing?

We recognise these are exceptional times and despite the incredibly difficult time that we are all enduring, Cardens are committed to doing everything within our power to ensure we are still here to support you, when you need it most.

In order to achieve this we have ensured that all staff can work from home and have access to all the tools required for us to support you as we do currently.

Furthermore, to help reduce the health impact for our staff and community from the 18<sup>th</sup> March 2020, we will be introducing a 50:50 timetable for all staff. This means that at any given time 50% of our staff will be working from home until further notice. Therefore, the best way to contact your account manager is via email.

We have also cancelled all face to face meetings, with the offer of holding these as video conferencing instead.

Finally, all Cardens Events suspended until further notice. So please keep a look out on both our social media pages and [Eventbrite](#) page for all new dates for these cancelled events.





Finally:



If you have any further questions,  
please do not hesitate to contact  
your account manager here at  
Cardens via email.