

## Covid-19 Support Update 6 April 2020

### Furloughing Yourself as a Director

The guidance on this is not clear currently, however if a Director is not working at all within their business then this would be a valid reason for the Director to be furloughed. If the Director is still carrying out day to day tasks, then there is not be a valid reason for that Director to be furloughed, as they are still working within the business. CARE IS REQUIRED HERE.

Appropriate, and complete, documentation will be required for all furlough grant claims. HMRC will have the power to check any furlough grant claims made.

The furlough grant claim portal is still being developed by HMRC, but it should be available for the first grant claims, within two weeks.....

### Local Government Loans – Business Rates Grant

Local councils are contacting businesses that qualify for the £10k business loan.

If you are in doubt, you should contact your local authority to enquire if you qualify for a £10k grant. Maybe you have erroneously been missed off the business rates listing for your area? It will be worth pursuing this, if that is the case.

There are other grants available for larger businesses in the hospitality and leisure sector.

### Changing Annual Payroll Schemes to Monthly

We advise many small businesses, who have in the past been operating an Annual Payroll scheme to save time and money; the clients we act for, who will be making a claim on the Coronavirus Job Retention Scheme, are being advised to use Monthly Payroll Schemes going forward, from April. We think this will help speed up claims, as well as supporting any other welfare claims.

The Government has not yet submitted any detailed guidance on this, but we believe this is advisable, just in case.... BETTER TO BE SURE!

### Commission Payments

The updated guidance for wage costs through the coronavirus Job Retention Scheme now includes compulsory commission payments in the furlough leave calculation, in addition to the basic salary. The amendment goes on to include that any regular payments that are obliged to be paid can be claimed for. This includes wages, past overtime and fees. However, discretionary bonus (including tips) and commission payments and non-cash payments should be excluded.

This is good news for those who are heavily dependent on commission payments. We are still waiting on guidance on how to interpret what 'compulsory commission' actually covers and will be sending further details out to you, as and when this is announced.

## Government Business Interruption Loan

The High Street Banks have been told by the Government to relax the loan criteria; personal guarantees have been scrapped on loans under £250k. Loans over £250k will only require a personal guarantee of 20% of the loan. If you want further details, you should contact your bank, in the first instance, or call us if you need further guidance.

## Trainees/apprentices on Furlough Leave

If you have any employees that are trainees, they can continue to study while on furlough leave. So, whilst being on furlough it's a good time for those studying/learning to get caught up on all their certifications etc.

The Government are also encouraging furloughed staff, to volunteer in the community.

## Self Employment

The Government has advised that the portal for Self Employed people won't be ready until June. Self Employed people will be contacted by the government if they are eligible.

For Self Employed people to be able to make a claim, their 2018-19 tax return must be submitted by 23 April 2020, in its final form.

Due to the volume of welfare claims, it is advisable to submit a claim as soon as possible to avoid any further delays.

## VAT, PAYE & NI Deferral

The government advised that VAT does not need to be paid for months April, May and June. **HAVE YOU CANCELLED YOUR VAT DIRECT DEBIT FOR THAT PERIOD?**

PAYE and National Insurance can be deferred for some businesses, by phoning HMRC on 0800 024 1222.

## Commercial rent holidays/deferrals

Through from April to June the Government have enacted new emergency laws that enable commercial tenants to not pay/defer their rents – landlords cannot evict tenants in that period, even if they do not pay their rents. The rents are still payable at a later date, unless you have agreed otherwise with your landlord.

We are advising all clients who are commercial tenants to contact their landlords, to agree support, through this period. HMRC have also relaxed the rules applying to business owners where their pension funds rent commercial units to their own businesses. If you are affected, and need some further advice, please call us, if you require further help.

## Car contract hire rentals and HP agreements

We are advising all clients to contact their HP and finance companies, to arrange the deferral of their car hire rentals/HP payments for the next three months. This will help retain cash in the business over what could be a very difficult period.

Please do not hesitate to contact us if you have any questions.

