

Further Support

Chancellors' Winter Economy Plan



The Chancellor has been under pressure to help businesses more and has now announced further support.

A new Job Support Scheme (JSS)

From 1st November 2020 for 6 months the government will top up wages for those employees working shorter hours than their 'normal hours' for businesses facing lower demand due to COVID-19.

- Employees must work at least 33% of their usual hours.
- For every hour not worked
 - Government will cover 33% of employee's usual pay (capped at £697.92 pm)
 - Employer must cover at least 33% of employee's usual pay.
- Employee must not be on a redundancy notice.
- Employer will be re-imbursed in arrears.
- Employer must have a UK PAYE scheme and UK bank account.
- All small and medium enterprises will be eligible.
- Larger businesses can claim if can demonstrate adversely affected by COVID-19. The government expects large employers not to make distributions while using the scheme.
- Employers can still claim the Job Retention Scheme bonus in 2021, even if claiming under the Job Support Scheme.

An extension to Self-Employed Income Support Scheme (SEISS)

The Self-Employed Income Support Scheme has been extended for 6 months to April 2021. The grant is available to those self-employed;

- Already eligible under SEISS,

- Actively continuing to trade,
- Facing reduced demand due to COVID-19.
- First grant for November to end of January will cover 20% of average monthly trading profits, and capped at £1,875 in total.
- Second grant will cover February to end of April. The grant level will be set in due course.

To help with cashflow

The government are extending the **cut-off date for new applications to 30 November 2020** for the all finance schemes previously announced and are providing greater flexibility on repayments for two schemes.

Bounce Back Loan Scheme (BBLs)

Pay as you Grow is introduced, providing borrows with following extra options;

- to repay loan over a period of up to 10 years,
- to temporarily make interest-only repayments for up to 6 months (an option which can be used up to 3 times during the loan), or
- to pause payments entirely for up to 6 months (can be used once, and only after made initial 6 repayments).

The existing details remain the same for the loans;

- loans are between £2,000 and £50,000,
- loans are capped at 25% of turnover,
- government will cover interest for first 12 months
- no repayments necessary for first 12 months, and
- 100% government guaranteed for lender.

Further Support

Chancellors' Winter Economy Plan



Coronavirus Business Interruption Loan Scheme (CBILS)

- The government will allow lenders to extend term of loan repayments up to 10 years.
- The existing details remain the same for the loans;
 - loans up to £5 million with an 80% government guarantee to lender.
 - government will cover interest for first 12 months

VAT deferral 'New Payment Scheme'

Any VAT payments which were due in March to June 2020 and deferred were originally due for repayment by 31st March 2021.

- This deferred VAT can be repaid, interest free, over 11 equal instalments from April 2021.
- Businesses will need to opt in.
- All businesses with deferred VAT are eligible.
- Further details and process will be available in early 2021.

Enhanced time to Pay for Self-Assessment taxpayers

The government are giving self-assessment taxpayers more time to pay their coming tax liabilities.

- Taxpayers with bills up to £30,000 (normally £10,000) will be able to use HMRC's self-service Time to Pay facility to secure a 12-month payment plan.
- This covers any tax due January 2021, and any tax deferred from July 2020.

Any self-assessment taxpayer unable to pay their tax bills on time and unable to use the above can contact HMRC's Time to Pay Self-Assessment helpline 0300 200 3822.

Hospitality and Tourism

The temporary VAT reduced rate is being extended and so the 5% VAT rate will now remain in place for hospitality and tourism until 31st March 2021. It will continue to apply to supplies of food and non-alcoholic drinks from restaurants, pubs, bars, cafes and similar premises, supplies of accommodation and admission to attractions across the UK.

If you wish to discuss any of these or other support issues
please do contact us.

call 020 3411 4401 or email info@idhaccountancy.com