

COVID19

Financial support for small businesses, self-employed, contractors, and individuals

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Please note that, as we expect more announcements and details in the coming days, we will be updating our guides frequently.

We recommend you to visit website www.dnsaccountants.co.uk for most updated information.

[CLICK HERE FOR MOST UPDATED GUIDE](#)

Latest updates:

1. **Measures for Self-employed individuals.**
2. **Owner-directors now covered under Job Retention Scheme for salary.**
3. **Business rates holiday extended to more sectors-- Estate agents, lettings agencies and bingo halls also included.**
4. **3-Month Extension with filing accounts with Companies House--** From 25th March 2020, businesses will be able to **apply** for a 3-month extension for filing their accounts. Fast track online application for extension. Application required, not automatic.

HMRC Warning: 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.

Scheme Summary

No	Type of Support Package	Small Business / Ltd / Partnership / Sole Trader / PSC	Suitability	Not Suitable
1	Coronavirus Job Retention Scheme	Y	For Employees	Sole Director Employees
2	VAT Deferral * where VAT registered	Y Auto Deferral	All VAT Registered	
3	Income Tax Deferral	Y	Directors / Shareholders / Sole Traders / Partners	
4	Statutory Sick Pay (SSP)	Y	For all employees inc Directors	
5	Business Rates Relief	Y	Any Business which pay Rates	Business with no Premises
6	Cash Grants £10k	Y	For Offices which pay Rates	Business with no Rates
7	Cash Grants £25k	Y	Retail / Hospitality / Leisure Business which pay Rates	Offices
8	Coronavirus Business Interruption Loan	Y	For all Business	
9	Time to Pay service	Y	For All Business mainly for Corp Tax	
10	Universal credits	Y	For all out of work inc all Self-employed mainly Sole Traders	

Coronavirus Bounce Back Loan Scheme (BBL)

Small Business

Contractor

Sole Trader

Government backed loans up to £50,000 to support primarily COVID19 affected small and medium sized businesses. An easy to access loan at low interest rate bank loan.

Benefit

- **Interest rate: Fixed 2.5% per annum.**
- No interest for first 12 months (government to pay interest for 12 months).
- Government to provide a guarantee of 100% on each loan without any charge.
- How much can you borrow: **25% of annual revenue** (2019 calendar year).
- **Maximum amount: £50,000.**
- For business established after 1st Jan 2019, turnover to be calculated on estimate basis.
- **Term: The length of the loan is 6 years.** But you can repay early without paying a fee.
- No repayments will be due during the first 12 months.

Borrower is liable to repay 100% of the loan.

Eligibility

- Business established before 1st March 2020
- Be UK based.
- Has been adversely impacted by COVID-19.
- Operate within an eligible industrial sector (most are eligible).

Our DNS Team can help you in preparing your loan application and applying for bounce back loan. Please get in touch with your account manager to find out more.

Self-Employment Income Support Scheme – Claim the grant through the Coronavirus (Covid-19)

Extended scheme:

As per the latest information from the Government, the Self Employment Income Support Scheme has been extended until 19th October 2020, and you will be able to claim a second and final grant.

Important note:

- You can claim for the second and final grant, even if you did not make a claim for the first grant. Applications can be made starting from the 17th August 2020.
- If you are eligible and want to claim for the first grant, you must make your claim on or before 13th July 2020!

What to do next:

1. Check your eligibility:

- The eligibility will be work out the same way as the first grant.
<https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>
- You will have to confirm that your business has been adversely affected by Coronavirus, **on or after 14th July 2020**.
- Different circumstances may affect your claim. Please check the link below:
<https://www.gov.uk/guidance/how-different-circumstances-affect-the-self-employment-income-support-scheme>

2. How much will you get:

This grant will be a taxable grant worth of 70% of your average monthly trading profits, paid out in a single installment, covering a further 3 months' worth of profits and capped at £6,570 in total.

For more information and guidance, please check our FAQ's [here](#).

If you would like any help or support please do not hesitate to contact your dedicated accountant.

Security note:

If you receive texts, calls or emails claiming to be from HMRC, offering financial help or a tax refund and asking you to click on a link or to give personal information, it is a scam. You should email it to phishing@hmrc.gov.uk and then delete it.

Self-Employed Income Support Scheme

Small Business

Contractor

Sole Trader

Landlord

Government direct cash grant of 80% of self-employed individuals profits, up to £2,500 per month

Benefit

- Receive 80% of the average monthly trading profit over the last three years (or avg of trading period if less than 3 years), up to £2,500 per month in grants for at least 3 months.
- To be paid in a single lump sum instalment covering 3 months (Mar-May) starting in June.
- Covers 95% of people who receive the majority of their income from self-employment.

These are grants and you are not expected to repay. Grants under this scheme are taxable.

Eligibility

- Cleaners, plumbers, electricians, musicians, hairdressers and many other self-employed people who have lost trading/partnership trading profits due to COVID-19.
- 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.
- More than half of income in these periods must come from self-employment.
- Traded in the tax year 2019-20 and are trading when they apply or would be except for COVID-19 and intend to continue to trade in the tax year 2020-21.
- This scheme also applies to members of partnerships.
- To minimise fraud, only those who are already in self-employment and meet the above conditions will be eligible to apply.

**** If you have not submitted your Income Tax Self-Assessment tax return for the tax year 2018-19, you MUST do this by 23rd April 2020 to claim this benefit.***

How to Claim

- HMRC will contact eligible individuals to apply online for the scheme when portal is set up.
- No need to contact HMRC until then.
- Money to be transferred to individual bank account (expected in June) after the online application.

PLEASE NOTE: 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 by the Coronavirus Job Retention Scheme if they are operating PAYE schemes.

Before grant payments are made, the self-employed will still be able to access other available government support for those affected by coronavirus including more generous universal credit, deferral of self-assessment income tax and VAT payments, grants for businesses that pay little or no business rates and business continuity loans where they have a business bank account. Please refer to appropriate sections in this Guide for more information on these.

Coronavirus Job Retention Scheme

Small Business

PAYE

All UK employers will be able to access support to continue paying part of their employees' salary for furloughed workers—those employees that would otherwise have been laid off during this crisis.

Benefits

- Payment of 80% of staff salaries up to £2,500 (gross pay) per month per worker for those who are on PAYE and unable to work.
- Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage. **(New)**
- From 1st March 2020, lasting for an initial period of three months, but will be extended “if necessary”.

How to Claim

- designate affected employees as ‘furloughed workers’ and notify them
- submit information to HMRC.

A new online portal will be set up by HMRC in the next few weeks.

Owner-director(s): are also covered under this scheme for their salary part if they are on PAYE. More details awaited. **(New)**

These are Grants and you are not expected to repay.

Small Business Grants

Small Business

Ratable Property

Grants (non-repayable) to retail, hospitality and leisure businesses who occupy ‘rateable’ properties operating from smaller premises and are based in England.

Benefit

- **£25,000 Grant**—for business with a rateable value over £15,000 and below £51,000.
- **£10,000 Grant**—for business eligible for Small Business Rate Relief (SBRR) or Rural Rate Relief, to help meet their ongoing business costs (business properties with rateable value up to £15,000).

SBRR (Small Business Rate Relief) and Rural Rate Relief —[more info here](#)

How to Claim—

- You do not need to do anything. This grant will be administered by local authorities, who will write to you if you are eligible for this grant.
- This is expected to start from 1st April 2020. Please contact your local authorities for any queries.

These are grants and you are not expected to repay.

Business Rates Holiday

Small Business

Ratable Property

A 12-month business rates holiday for businesses in the retail, hospitality and leisure sectors and nurseries from April 2020 to March 2021. Estate agents, lettings agencies and bingo halls also included now.

- Business Rates retail discount to 100%.
- Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible.

For guidance, the businesses should contact their local authority from 20th March 2020.

Coronavirus Business Interruption Loan Scheme (CBILS)

Small Business

Contractor

Sole Trader

Ratable Property

Government backed loans up to £5million to support primarily COVID19 affected small and medium sized businesses.

Benefit

- No interest for first 12 months (government to pay interest for 12 months).
- Government to provide a guarantee of 80% on each loan without any charge.
- Loans up to £5 million.
- Provisions to provide further discretionary financial support to businesses.

Borrower is liable to repay 100% of the loan.

Eligibility

- Be UK based, with turnover of no more than £45 million per annum.
- Operate within an eligible industrial sector (most are eligible).
- Have not received *de minimis* State Aid beyond €200,000 equivalent over the current and previous two fiscal years.
- Have a sound borrowing proposal, but insufficient security to meet the lender's requirements.
- Full eligibility criteria will be published shortly (**TBC**).

Our DNS Team can help you in preparing your loan application and applying for business loans to multiple lenders at once through our partner platform. Please get in touch with your account manager to find out more.

VAT Payment Deferral

Small Business

Contractor

Sole Trader

All UK business registered for VAT can defer VAT payments due between 20th March 2020 and 30th June 2020 until the end of tax year 2020-21.

Benefits

- VAT payable until 30th June 2020 can be paid at the end of 2020-21 tax year i.e. April 2021.
- VAT refunds and reclaims will be paid by the government as normal.

NOTE—VAT Returns are due as normal. Only payment is deferred.

This is an automatic offer with no applications required.

VAT You will still need to pay the VAT amount due in full before April 2021.

Income Tax Deferral

Contractor (Ltd)

Sole Trader

Landlord

For Income Tax (Self-Assessment), payments due on the 31st July 2020 will be deferred until the 31st January 2021.

Eligibility

- All those Self-employed.
- This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

You will still need to pay the amount in full before 31st January 2021

Support with Tax Affairs

Small Business

Contractor

Sole Trader

Ratable Property

Landlord

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.

You can call HMRC's dedicated [helpline](#) on **0800 024 1222** for help and advice. HMRC will decide on a case by case basis and you should contact HMRC directly.

There is no automatic deferment in Corporation Tax liabilities.

Statutory Sick Pay (SSP)

Small Business

Contractor (Ltd)

Ratable Property

Landlord (Ltd)

SSP For Employees

Individuals diagnosed with COVID-19 or those who are unable to work because they are self-isolating are entitled to Statutory Sick Pay (SSP) from Day 1.

Benefit—SSP will be payable **from day 1** at £94.25 per week for those off-work.

Eligibility

- Those (including company directors) unable to work because they have been sick with COVID-19, or are self-isolating, or been advised to be in quarantine.
- Earning an average of at least £118 per week.
- Contractors working through an Umbrella company are legally entitled to SSP.

How to Claim

- Inform employer as soon as possible.
- If evidence is required by an employer after 7 days (Employer CANNOT ask for a fit not for up to 7 days).
 - 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](#).

Who are NOT Eligible

- Self-employed.
- Employees earning below Lower Earning Limit of £118 per week.

SSP For Employers

Small and Medium sized businesses (SME's) and employers can reclaim Statutory Sick Pay (SSP) paid to employees for sickness absence due to COVID-19.

Benefits

- Employer can reclaim expenditure for any employee who has claimed SSP (due to being off work because of COVID-19) for up to 2 weeks' SSP per eligible employee.

Eligibility

- UK based businesses with fewer than 250 employees as of 28th February 2020.

How to Claim

- Employers should maintain records of staff absences and payments of SSP but employees will not need to provide a GP fit note.
- Government to set up the repayment mechanism for employers as soon as possible (reclaim disbursements to start by end of April 2020 - TBC).

Applicable from 13th March 2020 onwards.

Start date for the new IR35 tax rules has been deferred to 6th April 2021.

Mortgage Support

Small Business

Contractor

Sole Trader

Ratable Property

Landlord

Mortgage borrowers can apply for a three-month payment holiday from their lender. Tenants can apply for a three-month payment holiday from their landlord.

- Tenants cannot be evicted from their home over the next three months.
- Homeowners cannot have their home repossessed over the next three months.

Eligibility

- Both residential and buy-to-let mortgages are eligible for the holiday.

Borrowers still owe the amounts that they do not pay as a result of the payment holiday and interest will continue to be charged on the amount they owe.

Insurance

Small Business

Contractor

Sole Trader

Ratable Property

Landlord

Businesses that have cover for both pandemics and government ordered closures should be covered.

The government and insurance industry confirmed on 17th March 2020 that advice to avoid pubs, theatres, etc., is sufficient to make a claim as long as all other terms and conditions are met.

Insurance policies differ significantly, so businesses should check the terms and conditions of their specific policy and contact their providers directly.

Other Measures

Relaxation in planning regulations to allow pubs and restaurants to start providing takeaways without a planning application.

Universal Credit: Self-employed people can now access full universal credit at a rate equivalent to statutory sick pay.

3-Month Extension with filing accounts with Companies House-- From 25th March 2020, businesses will be able to apply for a 3-month extension for filing their accounts. Fast track online application for extension.

For more details on support measures, refer [here](#).

We will keep you posted on new developments and how government is further supporting businesses during this difficult period. For any concerns, we encourage you to get in touch with your account manager. We assure you to be there for you in these difficult times. We shall overcome this together.



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