

COVID – 19

Coronavirus – Reliefs and claims more updates

Yet more changes have been announced by the Government to try and help businesses through these turbulent times and we have set out below our understanding of the new rules coming into force from November. As normal we haven't yet got the small print on these but we hope this will help you understand what you might be entitled to and we are here for you if you want more detailed advice.

JOB SUPPORT SCHEME for BUSINESSES that are OPEN

After **1 November 2020** if employers provide work for employees of at least 20% of their normal working hours and the employees were on their payroll and had been paid at least once by 23 September 2020, then the employer will pay the employee a further 2/3 of the balance of their time not worked and be able to claim back 61.67% of this additional amount by way of a grant under this scheme. The Grant will not include the employers NI or pension contribution so there is a cost to the employer and the employer can top up this pay further if they choose. We are attaching a spreadsheet showing the costs to the employer and what the employee will receive based on working a number of different hours per week and the HMRC fact sheet on this can be accessed at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/928761/JSS_Open_factsheet.pdf

This is designed to encourage employers to keep on employees they might otherwise be considering making redundant and as long as these employees are receiving an average salary of at least £520 per month between November and January they will **also** allow the employers to claim the Job retention Bonus of £1,000 per employee in February 2021 provided the employees had previously been furloughed.

The Grant will be claimable monthly in arrears once the employee has been paid and the details uploaded to HMRC and the portal for the claims will open on **8 December 2020**.

Since this is a further variation to an employee's contract of employment there **must** be evidence in writing that this has been notified to the employee and agreed with them.

The Scheme will last until the end of April next year and employees can be taken in and out of the scheme as required.

JOB SUPPORT SCHEME for BUSINESSES that are CLOSED

This scheme is for businesses that have been required to **close** due to Covid-19 restrictions and enables employers to pay employees 2/3 of their usual wages for time not worked up to a maximum of £2,083.33 per month with the whole amount refunded by the Government. The employer is still responsible for employers NI and pensions contributions and can top up employees salaries if they wish.

SELF EMPLOYMENT INCOME SUPPORT SCHEME

If you were self employed in 2018/19 and eligible under the previous scheme (whether you claimed or not) but can confirm in November that you are temporarily unable to trade or your income is reduced due to Covid-19, you can claim a grant of **10%** of your average annual profits, capped at **£3,750**. The calculation will be based on the profits declared in your tax returns between 2016/17 and 2018/19, using the same criteria as the previous grants. This is to cover the months of November 2020 to January 2021 with a further grant for the following 3 months to be reviewed in January.

As with the previous claims you should keep details and evidence of your reduced income to support your claim and make a note of the claim reference number provided. No claim details have been issued yet but we would expect the procedure to be similar to the previous grant claims. The HMRC Fact Sheet on this can be accessed at

<https://www.gov.uk/government/publications/self-employment-income-support-scheme-grant-extension/self-employment-income-support-scheme-grant-extension>.

FURTHER NOTES

1. The current Job Retention Scheme will close at the end of this week and all claims under this scheme must have been submitted by **30 November 2020**.
2. HMRC have opened a new online portal to enable employees working from home to claim directly for the tax relief available through their PAYE codes using their Personal Tax Accounts and this can be accessed at <https://www.gov.uk/tax-relief-for-employees>. This relief is available for the whole year as long as you have been required to work from home for at least one day in the year by your employer. The amount is not huge but every little helps and for a 20% taxpayer, the relief is worth £62.40 and for a 40% taxpayer it is worth £124.80.

I hope this is helpful and we will be back in contact as more detail becomes available.