



## **COVID-19**

### **Update 20 August 2020**

#### **Self-Employment, Small Business Recovery Grants, Job retention Scheme, Vat and Self-Assessment Deferral**

It's been a while so we've summarised some key dates you should be aware of in the next few weeks as well as some additional details in relation to the above.

#### **1. Self-Employment Income Support Scheme**

The second and final grant for those who are self-employed is now available.

##### **How much is available?**

The second and final taxable grant is worth 70% of your average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits, and capped at £6,570 in total.

##### **What are the criteria?**

The primary condition different to the last grant is -

Your business must have been adversely affected due to coronavirus on or after 14 July 2020.

All other previous criteria apply such as

- You traded in 19/20 and plan to trade in 20/21
- Are trading when you apply or would be except for COVID-19
- Trading profits must average less than £50k and at least equal your non trading income
- Have lost trading/partnership trading profits due to COVID-19. You should keep records to support this
- You must have submitted your 18/19 self-assessment by 23 April 2020

##### **What does adversely affected mean?**

This is where you have lower income or higher costs - there is no minimum threshold in terms of value or percentage change. Whilst not a specific requirement it is probably

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advisable to keep a record of the key points as to why you think you are adversely affected at the point of claiming should any element be queried in the future.

More detailed examples can be found here <https://www.gov.uk/guidance/decide-if-your-business-has-been-adversely-affected-for-the-self-employment-income-support-scheme>

### **How do I apply?**

You should have been provided with a date to apply by HMRC and will then apply online as with the previous grant. If you have not received a date, then contact HMRC. You must apply before 19 October.

Payments should be made within 6 days of the claim as previously.

## **2.Small Business Recovery Grants**

### **What is it?**

Small and medium sized businesses will have access to grants of between £1,000 - £5,000 to help them access new technology and other equipment as well as professional, legal, financial, or other advice to help them get back on track.

### **How and when do I apply?**

The business growth hub is currently applying for the Greater Manchester allocation which they hope to have by late August/early September. The application is not yet finalised but you can submit an expression of interest here <https://www.businessgrowthhub.com/coronavirus/small-business-recovery-grants>

### **What are the conditions?**

The growth hub has outlined the following: -

- Between £1,000 and £3,000 with £5,000 available in exceptional circumstances
- Must be either professional advice (HR, legal, finance etc) or purchase of new technology (not PPE) to make the business more productive
- You must obtain two quotes.
- You will need to pay up front and provide evidence of the bank transaction

## **3.Job Retention Scheme Bonus**

### **What is it?**

A £1,000 bonus per employee for anyone still employed at 31 January 2021 who was furloughed at any point under the JRS Scheme

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#### Are there any other eligibility criteria?

Employees will need to:

- Earn at least £1,560 in total for the three months to Jan 2021(an ave of £520 per month)
- Have been continuously employed up until at least 31 January 2021.
- Cannot be working a notice period which started before 1 February 2021

#### When will I get the bonus?

Employers will claim the bonus from February 2021 once January payroll has been submitted to HMRC.

#### How do I claim?

The claim will be made through the gov.uk website with more detailed guidance provided in September.

#### 4. Flexible Furlough

##### How does it change over the last three months?

The Job Retention Scheme continues until October with a reminder of the changes below. It's important to be aware of the items highlighted in green. Employees must continue to receive at least 80% of their salary so the onus is on you as an employer to top up the 10%(Sept) and 20%(Oct). This top up element to 80% is not optional.

Month	Claim under Job retention Scheme	How much does the employer pay?
August	80% of salary up to a max of £2,500	Employers NI and Pension Costs
September	70% of salary up to a max of £2,187.50	10% of salary to make up furlough salary of 80% up to a cap of £2,500 All Employers NI and Pension Costs
October	60% of salary up to a max of £1,875	20% of salary to make up furlough salary of 80% up to a cap of £2,500 All Employers NI and Pension Costs

#### 5. Vat Deferral

If you did defer your Vat for the return that fell due during the period 20 March to 30 June, then this does not fall due until 31 March 2021. Please note the following: -

##### Paying current/future Vat bills

If you previously paid by DD, then remember to re-instate this DD for future Vat payments.

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### **Clearing the arrears**

Consider how you will repay this return by March. If cashflow is starting to improve now you may consider spreading this payment over the next seven months. You can do this at any time and don't need to contact HMRC to do this. Just ensure you pay to the correct account with the right reference, so it is allocated against this outstanding return.

### **6. Self-Assessment Deferral**

#### **Clearing the arrears**

If you deferred a payment due in July 2020 then this will fall due by 31 January 2021. Again, please keep this at the forefront of your cashflow planning and if cashflow allows consider trying to clear it in instalments before January to prevent it falling due with your next payment.

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