

United Kingdom

Summary

1. The Coronavirus Job Retention Scheme allows an employer to claim from the government 80% of the wages of 'furloughed workers,' up to £2,500 per month, plus any employer National Insurance and minimum employer auto-enrolment (mandatory) pension contributions. The scheme begins on March 1, 2020 and has been extended to October 31, 2020
2. The Coronavirus Statutory Sick Pay Rebate Scheme will repay employers the Statutory Sick Pay paid to current or former employees. The current rate is £94.25 per week. An employer can claim back from both the Coronavirus Job Retention Scheme and the Coronavirus Statutory Sick Pay Rebate Scheme for the same employee but not for the same period of time
3. There is a deferral of VAT payments due to Coronavirus. This is an automatic deferral with no application required. Businesses do not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 VAT year to pay any liabilities that have accumulated during the deferral period
4. Businesses in the retail, hospitality and leisure sectors in England will not have to pay business rates for the 2020 - 2021 tax year
5. Businesses in England in the retail, hospitality and leisure sectors are entitled to a one-off cash grant of up to £25,000 from their local council
6. Small and micro businesses with fixed property costs that are not eligible for the Small Business Grant Fund or the Retail, Hospitality and Leisure Grant Fund may be eligible for the Discretionary Grants Scheme
7. The Coronavirus Business Interruption Loan Scheme was implemented to help small and medium-sized businesses to access loans and other kinds of finance up to £5 million. Under the scheme the government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months. The business will have to show that it would be viable were it not for the pandemic and it has been adversely impacted by the coronavirus
8. The Coronavirus Bounce Back Loan scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover
9. The Coronavirus Large Business Interruption Loan Scheme helps medium and large sized businesses to access loans and other kinds of finance up to £200 million
10. Under the COVID-19 Corporate Financing Facility (CCFF), the Bank of England will buy short-term debt from large companies. The scheme is designed to support companies affected by a short-term funding shortages

Background & Details

1. The U.K. introduced a 12-month business rates holiday for all retail, hospitality, and leisure businesses in England for the 2020 to 2021 tax year
2. A £25,000 local authority grant is provided to retail, hospitality, and leisure businesses operating from "smaller premises" with a value between £15,000 and £51,000
3. Businesses in receipt of small business rate relief (SBRR) or rural rate relief will be entitled to a £10,000 local authority small business grant. Businesses eligible for SBRR or rural rate relief will be contacted by the local authority, so there is no need to apply
4. To support employers whose operations have been severely affected by the COVID-19 outbreak, HMRC will pay participating employers 80% of a 'furloughed worker's' pay

(subject to a maximum payment of £2,500 per month) plus the associated employers' employer national insurance contributions and minimum employer pension contributions. This scheme was in place originally for 4 months starting from March 1, 2020, but has been extended to October 31, 2020.

5. Businesses facing difficulty making other tax payments (including corporation tax and PAYE) may request a time to pay (TTP) arrangement with HMRC to defer payments which are due (or overdue)
6. Additionally, businesses within the quarterly installment payment regime may have already made installment payments of corporation tax to HMRC based on profit forecasts made prior to the outbreak of COVID-19
7. Small and medium enterprises are allowed to reclaim statutory sick pay amounts paid for sickness absences due to COVID-19. The repayments will be available for employers with fewer than 250 employees as of February 28, 2020