

Last Thursday (24th September) Chancellor Rishi Sunak delivered his **Winter Economy Plan**. These measures are intended to protect jobs and help the self-employed throughout the expected difficult winter.

We have digested the information and please find, to follow, a summary of the statement in Parliament, with what we know to date, that would be useful for you to know:

## Job Support Scheme

This will replace the furlough scheme when it closes on 31 October.

The scheme will support those in "viable jobs which provide genuine security". What does this mean?

Furlough was an emergency measure to protect almost all jobs during lockdown. With the new scheme, only employees who can work at least a third of their hours will be eligible. For example, a stylist employed in a salon with less appointments due to fewer chairs and bookings, or a waiter working in a restaurant with reduced opening hours.

A worker in an enterprise which has completely, albeit temporarily, closed will not be supported.

### JOB SUPPORT SCHEME – THE BASICS

- Commences 1 November and ends 30 April.
- Top ups salaries for businesses which cannot take an employee on a full-time basis.
- Neither the employer nor the employee needs to have previously used the Coronavirus Job Retention Scheme.
- The employee must work for at least one-third of their normal hours.
- The government and employer will each pay one-third of the remaining wages. This means the employee would get at least 77% of their pay. (i.e. 33% + 22% + 22%). For example, if someone earning £2,000 a month was working half their hours, they would receive £1,000 normal pay. They would then get £333 extra from their employer and £333 from the government.
- The government contribution is capped at £697.92 per month.
- Employees must have been on the firm's payroll since at least 23 September.
- Workers cannot be made redundant or put on notice while a Jobs Support Scheme grant is being claimed on their behalf.
- As with the furlough scheme, employers are paid the grant in arrears of paying staff.
- The Job Retention Bonus scheme is still available, where £1,000 for every furloughed employee kept on until at least the end of January is awarded to the employer.

For further and more detailed information search 'Job Support Scheme factsheet' or drop us a line.

## SEISS Grant Extension

Under the original scheme two separate taxable grants ('the initial grants') were claimable:

- First grant for the period ending 13 July 2020.
- Second grant for the period from 14 July 2020.

An extension ('the extended scheme') provides for two additional taxable grants payable for the three months from 1 November 2020 to 31 January 2021 and 1 February 2021 to 30 April 2021.

For further and more detailed information search 'SEISS Grant Extension factsheet' or drop us a line.

## VAT Deferral New Payment Scheme

If you deferred VAT payments that were due between 20 March and 30 June 2020 you will no longer have to pay the entire amount in March 2021. Instead, you may opt to spread the payment of the deferred liability over 11 months interest-free.

Businesses who deferred payment will need to opt into the new scheme, but all are eligible. HMRC will put in place an opt-in process in early 2021 and further details will be provided when it is published.

## Reduced rate VAT

The reduced rate of 5% for hospitality and tourist businesses is to continue until 31 March 2021 instead of ending on 31 January 2021.

## New Self-Assessment Time To Pay Scheme

You may have deferred paying your July 2020 Payment on Account. You would need to pay the deferred amount, in addition to any balancing payment and first 2020/21 Payment on Account, by 31 January 2021.

Under the scheme you can set up a Time to Pay payment plan of up to 12 months.

## Loans - Pay As You Grow

The deadline to apply for a Coronavirus Business Interruption Loan and a Bounce Back Loan has been extended to the end of November.

Loans taken under the Bounce Back or Coronavirus Business Interruption schemes will have extended pay periods, described as "pay as you grow". It will be possible to extend the loans from 6 to 10 year repayment terms, reducing the monthly repayments.

Loans can now be extended from six to ten years – nearly halving the average monthly repayment

Businesses who are struggling can now choose to make interest-only payments

Those who are really struggling can apply to suspend repayments altogether for up to six months.

The finer details of the above schemes will be released in the future.

We will monitor developments on behalf of our clients and share further information.

IF YOU WOULD LIKE TO CHAT ABOUT ANY OF THE DETAILS CONTAINED WITHIN THIS DOCUMENT, OR ARRANGE A MEETING TO DISCUSS HOW THE UPDATES COULD AFFECT YOUR BUSINESS - PLEASE CALL US ON 01752 977432, WE ARE HERE TO ADVISE AND HELP...