



## Self Employed / Self-Assessment / Tax Return

### Update 05/05/2020

Here is the link to check your eligibility

You need your UTR & your NI number, we can help you with this information if you are our client.

After receiving immediate confirmation that you are eligible, you will then need to create your own government gateway, for this you will need your passport or driving licence.

If you are struggling please call the office we are here to help, however we have been advised that we should not use the claim tool to apply for grants on behalf of our clients as this may trigger HMRC's fraud prevention procedures which would delay payments to the clients.

<https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>

[https://www.gov.uk/government/news/self-employed-invited-to-get-ready-to-make-their-claims-for-coronavirus-covid-19-support?fbclid=IwAR2WOf2095\\_OJkoP-kQiR\\_Ile0nLDIHY\\_I doCICLL-r-o2XuMzHbD9efImE](https://www.gov.uk/government/news/self-employed-invited-to-get-ready-to-make-their-claims-for-coronavirus-covid-19-support?fbclid=IwAR2WOf2095_OJkoP-kQiR_Ile0nLDIHY_I doCICLL-r-o2XuMzHbD9efImE)

How to create a government gateway, open the eligibly tool and follow the instructions

1. For this you'll need to supply your full name and email address and create a password. You'll then be sent a user ID to the email address you provided.

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1. Universal credit can be awarded in advance so this is quickest way for self-employed to get immediate assistance. You are not eligible if you have savings over £16,000.
    - a. You need to apply for this yourself, online is by far the quickest method at the moment.
    - b. We can assist by confirming details such as UTR if you are unsure.
  2. Nothing for self-employed with profits over £50,000
  3. You can still get the self-employment grants if you are partially working.
  4. The self-employment grants are expected to be paying out from the end of June and back dating from the time of effect.
  5. If your self-employment started after **April 19** you are not eligible for any support from this scheme, your only support will be Universal Credit.
  6. Any Grant awarded will be classed as taxable income, although it does not have to be repaid.



7. Calculations are averaged from 19, 18 and 17 returns. If 3 years are not available, they will average on 2 or just the 2019 year if only one. It is then calculated on 80% of this average. If the average exceeds £2,500 monthly that is the top amount payable.
8. If 2019 self-assessment return not yet submitted, fine has been suspended. You have 4 weeks from 26/03/20 to do so which then means you are eligible to grant. Contact us if you need your 2019 return submitted.
9. How to apply? HMRC will be contacting all eligible in writing, you need to wait for this. Currently they have not opened an online application process.
10. Once HMRC has received your claim and you are eligible for the grant, they will contact you to tell you how much you will get and the payment details.  
If you claim tax credits/Universal Credit you'll need to include the grant in your claim as income.
11. Payments Due 31 July 2020  
Self-assessment payment on account due by **31 July 2020** if the impact of the coronavirus causes you difficulty in making payment by that date, then you may defer payment until **January 2021**.

You do not need to be self-employed to be eligible for the deferment.

**This is an automatic offer with no applications required.**

No penalties or interest for late payment will be charged if you defer payment until 31 January 2021.



## Limited Companies

1. If you have a Limited company with no PAYE scheme and your tax return says director's salary and dividends there is currently no grant on offer.
2. If an employee has more than one employer they can be furloughed for each job. Each job is separate, and the cap applies to each employer individually. E.g. a Limited Company as a director on PAYE and also PAYE through a separate company.
3. Support for businesses paying tax: Time to Pay service  
You are eligible if your business:
  - pays tax to the UK government
  - Has outstanding tax liabilities

If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: **0800 024 1222**

## VAT

HMRC are deferring Valued Added Tax (VAT) payments for 3 months. If you're a UK VAT registered business and have a VAT payment due between **20 March 2020 and 30 June 2020**, you have the option to:

- defer the payment until a later date
- pay the VAT due as normal
- If you choose to defer your VAT payment as a result of coronavirus (COVID-19), you must pay the VAT due on or before **31 March 2021**.
- **You will still need to submit your VAT returns to HMRC on time**
- **You do not need to tell HMRC that you are deferring your VAT payment.**

## Other Help

### Coronavirus Bounce Back Loan

This scheme helps small and medium-sized businesses affected by coronavirus (COVID-19) to access loans of up to £50,000

Please contact your bank for eligibility and application process.

The government guarantees 100% of the loan and there won't be any fees or interest to pay for the first 12 months.

Loan terms will be up to 6 years. No repayments will be due during the first 12 months. The government will work with lenders to agree a low rate of interest for the remaining period of the loan.



## Cash grants

### For retail, hospitality and leisure businesses / businesses that pay little or no business rates

– please check with your local council webpage,

Wirral Borough Council and Cheshire West council applications are now live.

You will need

1. Bank statement showing trading up to 11/03/20
2. Company house number for LTD companies
3. Business rates account number (starts with a 7 top right of bill)
4. Vat number if vat registered
5. sort code & account number of your business bank account

## Business rates holiday for retail, hospitality and leisure businesses

HMRC will introduce a business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.

You are eligible for the business rates holiday if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector

Properties that will benefit from the relief will be occupied properties that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for assembly and leisure
- for hospitality, as hotels, guest & boarding premises or self-catering accommodation

How to access the scheme

There is no action for you. However, local authorities may have to reissue your bill to provide this support. They will do this as soon as possible.

## Coronavirus Business Interruption Loan Scheme

Support for businesses through the Coronavirus Business Interruption Loan Scheme

Please contact you bank for eligibility and application process.

The government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will benefit from no upfront costs and lower initial repayments.

The government will provide lenders with a guarantee of 80% on each loan (subject to pre-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The scheme will be delivered through commercial lenders, backed by the government-owned British Business Bank.

You will have to meet your bank lending requirements.

## Commercial insurance

Most commercial insurance policies are unlikely to cover pandemics or unspecified notifiable diseases, such as COVID-19.



# Kenwright

Accountants Ltd

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Unit A15 Champions Business Park, Arrowe Brook Road, Upton, Wirral CH49 0AB  
t: 0151 604 3904 f: 0151 522 0188 m: 07789 193484  
e: [info@kenwright.co](mailto:info@kenwright.co) w: [www.kenwright.co](http://www.kenwright.co)

However, those businesses which have an insurance policy that covers government ordered closure and pandemics or government ordered closure and unspecified notifiable disease should be able to make a claim (subject to the terms and conditions of their policy).

Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers.

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## Payroll

### Who can claim Furlough?

Any UK organisation with employees can apply, including:

- businesses
- charities
- recruitment agencies (agency workers paid through PAYE)
- public authorities

You must have created and started a PAYE payroll scheme on or before **28 February 2020** and have a UK bank account.

Employees you can claim for

Furloughed employees must have been on your PAYE payroll on **28 February 2020**, and can be on any type of contract, including:

- full-time employees
- part-time employees
- employees on agency contracts
- employees on flexible or zero-hour contracts

The scheme also covers employees who were made redundant since 28 February 2020, if they are rehired by their employer.

To be eligible for the subsidy, when on furlough, an employee can not undertake work for or on behalf of the organisation. This includes providing services or generating revenue. While on furlough, the employee's wage will be subject to usual income tax and other deductions.

This scheme is only for employees on agency contracts who are not working.

If an employee is working, but on reduced hours, or for reduced pay, they will not be eligible for this scheme and you will have to continue paying the employee through your payroll and pay their salary subject to the terms of the employment contract you agreed.

***To be eligible for the subsidy employers should write to their employee confirming that they have been furloughed and keep a record of this communication.***

Employees hired after 28 February 2020 cannot be furloughed or claimed for in accordance with this scheme.

You do not need to place all your employees on furlough. However, those employees who you do place on furlough cannot undertake work for you.

#### **If your employee is on unpaid leave**

Employees on unpaid leave cannot be furloughed, unless they were placed on unpaid leave after 28 February.

#### **If your employee is on Statutory Sick Pay**

Employees on sick leave or self-isolating should get Statutory Sick Pay, but can be furloughed after this.



Employees who are shielding in line with public health guidance can be placed on furlough.

### **If your employee has more than one job**

If your employee has more than one employer they can be furloughed for each job. Each job is separate, and the £2500 cap applies to each employer individually.

### **If your employee is on Maternity Leave, contractual adoption pay, paternity pay or shared parental pay**

If your employee is eligible for Statutory Maternity Pay (SMP) or Maternity Allowance, the normal rules apply, and they are entitled to claim up to 39 weeks of statutory pay or allowance.

### **Work out what you can claim**

Employers need to make a claim for wage costs through this scheme.

You will receive a grant from HMRC to cover the lower of 80% of an employee's regular wage or £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage. **Fees, commission and bonuses should not be included.**

An employer can also choose to top up an employee's salary beyond this but is not obliged to under this scheme.

**We will issue more guidance on how employers should calculate their claims for Employer National Insurance Contributions and minimum automatic enrolment employer pension contributions, before the scheme becomes live.**

### **Full time and part time employees**

For full time and part time salaried employees, the employee's actual salary before tax, as of 28 February should be used to calculate the 80%. Fees, commission and bonuses should not be included. This is what figure you would input into your payroll system.

### **Employees whose pay varies**

If the employee has been employed (or engaged by an employment business) for a full twelve months prior to the claim, you can claim for the higher of either:

- the same month's earning from the previous year
- average monthly earnings from the 2019-20 tax year

If the employee has been employed for less than a year, you can claim for an average of their monthly earnings since they started work.

If the employee only started in February 2020, use a pro-rata for their earnings so far to claim.

### **Employer National Insurance and Pension Contributions**

All employers remain liable for associated Employer NI contributions and minimum automatic enrolment employer pension contributions on behalf of their furloughed employees

**.We will issue more guidance on how employers should calculate their claims for Employer National Insurance Contributions and minimum automatic enrolment employer pension contributions, before the scheme becomes live.**



## What you'll need to make a claim

### To claim, you will need:

- your PAYE reference number
- the number of employees being furloughed
- the claim period (start and end date)
- amount claimed (per the minimum length of furloughing of 3 weeks)
- your bank account number and sort code
- your contact name
- your phone number

***You will need to calculate the amount you are claiming. HMRC will retain the right to retrospectively audit all aspects of your claim.***

## Claim

### The online service you'll use to claim is not available yet.

We expect it to be available by the end of April 2020.

You can only submit one claim every 3 weeks.

### What to do after you've claimed

Once HMRC have received your claim and you are eligible for the grant, they will pay it via BACS payment to a UK bank account.

### When the government ends the scheme

When the government ends the scheme, you must make a decision, depending on your circumstances, as to whether employees can return to their duties. If not, it may be necessary to consider termination of employment (redundancy).

### Employees that have been furloughed

Employees that have been furloughed have the same rights as they did previously.

### Income tax and Employee National Insurance

Wages of furloughed employees will be subject to Income Tax and National Insurance as usual. Employees will also pay automatic enrolment pension contributions on qualifying earnings, unless they have chosen to opt-out or to cease saving into a workplace pension scheme.

### Tax Treatment of the Coronavirus Job Retention Grant

Payments received by a business under the scheme are made to offset these deductible revenue costs. They must therefore be included as income in the business's calculation of its taxable profits for Income Tax and Corporation Tax purposes, in accordance with normal principles.

Businesses can deduct employment costs as normal when calculating taxable profits for Income Tax and Corporation Tax purposes.

### Further guidance

For more information on the Coronavirus Job Retention Scheme please click link below

<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>