



COVID-19: Quick Guide

Government Financial Support for Northern Ireland Businesses

The Government has announced a suite of financial support measures to preserve the funding positions and help improve cashflow of businesses and also protect jobs during the ongoing COVID-19 crisis.

Details are continuing to develop, but at the time of drafting the key elements applicable to Northern Ireland businesses are summarised below.

Coronavirus Job Retention Scheme

How: The Government will pay a grant to cover 80% of furloughed workers' wage costs, up to a cap of £2,500 per employee per month. The retention grant is to help employers meet the wage costs of employees who are not working without having to make redundancies. The employer is not required to top this grant up. The scheme will be back dated to 1 March 2020 and open for at least 3 months but will be extended if required, with the overall fund for making the payments being unlimited. The scheme will be available for all employees currently paid via PAYE and we understand it will include a mechanism to address the position of zero hours workers and other employees who may not be entitled to receive standard rates of pay.

For whom? All UK employers, irrespective of business size or sector.

How to access: By application to HMRC, who will also administer payment. Employers are required to designate affected employees as 'furloughed workers' and notify the employees of this change. Businesses will then submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal.

Next steps: Detailed guidance is due shortly. HMRC are working to get scheme up and running as soon as possible but recognise their existing systems are not set up to facilitate payments to employers. The aim is that the first grants will be paid within weeks and before the end of April, however, businesses should recognise there may be a funding gap between the payment of wages and the eventual receipt of the grant which they could be required to finance, particularly during the initial roll out of the scheme.

Further Information Link: <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

Deferment of VAT payments

How: VAT payments for all UK businesses will be deferred for 3 months for payments that would otherwise arise during the period from 20 March to 30 June 2020. Additionally, taxpayers will be given until the end of the tax year 2020/21 to pay any VAT liabilities that have accumulated during this deferral period. Effectively, this relieves the requirement to pay VAT for VAT periods ending February, March and April 2020 until 2021. Importantly, the Government will continue to pay VAT refunds and VAT reclaims as normal for eligible claims.

For whom? All VAT registered businesses and self-employed.

How to access: Automatic Relief, no application required.

Further Information Link:

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

Business Rates Relief

How: Northern Ireland Executive to waive business rates for next 3 months.

For whom? All NI businesses.

Next steps: In addition to business rates holiday the Department of Finance are deferring issue of rates bills for 2020/21 from April until June 2020.

Further Information Link:

<https://www.nibusinessinfo.co.uk/content/covid-19-emergency-rates-package-businesses>

Covid Business Interruption Loan Scheme (CBILS) for SMEs

How: Delivered through the British Business Bank and 22 participating lenders. The Government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims). The scheme will support loans (including Term Facilities, Overdrafts, Invoice Finance and Asset Finance) of up to £5m. Businesses can access the first 12 months of the finance interest free.

For whom? UK based SMEs with turnover of no more than £45 million per annum.

How to access: Talk directly to your accredited bank or finance provider (not the British Business Bank) as soon as possible.

Next steps: The scheme has been launched on Monday 23 March.

Further Information Link:

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/>

Grants Support

How: Northern Ireland Executive to provide two grants for businesses. A grant of £10,000 available to small businesses and a grant of £25,000 for medium sized businesses.

For whom? £10,000 grant - small businesses eligible for the Small Business Rate Relief Scheme; £25,000 grant – medium businesses in hospitality, tourism and retail sectors with a rateable value from £15,000 up to £51,000.

How to access: Further information awaited week commencing 23 March.

Next steps: Further information awaited week commencing 23 March.

Further Information Link:

<https://www.nibusinessinfo.co.uk/content/coronavirus-business-support-grant-schemes>

Covid Corporate Finance Funding (CCFF)

How: Bank of England (BoE) purchases commercial paper from companies on similar terms to those prevailing prior to Covid-19 crisis. To provide access to pre-existing short term liquidity markets that were available pre crisis.

For whom? Large companies who were robust and investment grade or equivalent 'pre-crisis'.

How to access: Through financial institutions participating in the scheme.

<https://www.ukfinance.org.uk/covid-19-corporate-financing-facilities>

Next steps: The scheme has been launched on 23 March 2020.

Further Information Link:

<https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility>

Support for businesses who are paying sick pay to employees

How: The Government will bring forward legislation to allow employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence which will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19. Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note as alternative means of certification will be considered acceptable in these circumstances. SSP is available in respect of employees earning an average of £118 per week and is payable at a rate of £94.25 a week.

For whom? Small or medium-sized UK based business employing fewer than 250 employees as of 28 February 2020.

How to access: A rebate scheme is being developed. The eligibility period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force. Further details will be provided in due course once the legislation is passed.

Next steps: The Government will work with employers over the coming months to set up the repayment mechanism for their businesses as soon as possible.

Further Information Link:

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

Note: In addition to the measures highlighted above the Government has also announced that for self-employed individuals, income tax payments otherwise due on 31 July 2020 will be automatically deferred until 31 January 2021. Further relief for the self-employed and businesses concerned about not being able to pay their tax liabilities may be available through HMRC's Time To Pay arrangement.

See <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses> for further details.

Our KPMG in Northern Ireland team are currently supporting local businesses to get through this unprecedented period and plan for when economic recovery returns.

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