

## Corona Virus

### Financial matters – Update 17<sup>th</sup> August 2020

#### Self Employed Compensation Scheme

The scheme has been extended. If you were eligible for the first grant and can confirm to HMRC that your business has been adversely affected on or after 14 July 2020, you'll be able to make a claim for a second and final grant from **17 August 2020**.

The scheme allows you to claim a second and final taxable grant 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.

As with the first grant HMRC will contact you if you're eligible and you will receive an email or text today/tomorrow.

You can make a claim for the second grant if you're eligible even if you did not make a claim for the first grant.

The latest date for claiming this compensation is 18<sup>th</sup> October 2020.

This scheme is for self employed individuals only and does not cover company directors etc

#### Furlough clarification:

As expected there have been a number of clarifications about the Furlough scheme. The key ones are:

- 1: If you make someone redundant then normal rules and procedures apply. There has been a change of law that states you must use the pre furlough salary/average pay to calculate redundancy rather than the 80% of pay being paid during the furlough period.
- 2: You can continue to keep staff on furlough when the government support ends. This is a matter between you and the staff member to be mutually agreed. You won't get any funding back from HMRC and if an employee refuses to go on furlough then it will almost certainly be a redundancy situation.
- 3: If you are making staff redundant due to commercial reasons then you can still claim the Furlough grant during the notice period assuming the staff are not working. In addition you can top up Furlough pay to 100% to cover holiday pay taken during the notice period
- 4: The rules relating to the Furlough Bonus have still to be announced in detail but the following remains the current position:

The government will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021. Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme and the end of January 2021. Payments will be made from February 2021 when HMRC have checked company RTI returns to ensure staff are still employed

17<sup>th</sup> August 2020

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