

Covid-19 Newsletter

Financial matters – Updated 21st December 2020

Changes to Furlough Scheme

The furlough scheme has now been extended through to the end of April 2021. In addition the proposed review in January 2021 has been cancelled.

This means that the current Flexi Furlough scheme is in place paying 80% of salaries subject to the monthly cap and this will continue at this level through to the end of April.

Companies still have to pay the employers NIC and any pension contributions. However it is welcome news from a planning perspective.

HMRC have now started carrying out reviews of employers furlough claims. This may be a random check or one prompted by a call to their “Helpline” by employees who are working whilst their employer is claiming furlough. It’s important to re-iterate that staff cannot work the hours they are being paid furlough. Please ensure you keep evidence of staff going on to furlough to satisfy any enquiries.

Payroll December changes:

We appreciate the recent changes into Tier 4 may result in changes to your December payroll calculations. If your payroll has been run already and needs changing as staff move on to furlough please contact our payroll with the proposed changes. Please bear with our payroll staff who are working as hard as they can to process as many payrolls as possible. However some may roll forward into January to be amended. However this will not affect Furlough claims which for need to be made by 14th January for the December payroll.

Bounce Back Loan & CBILS:

These schemes have both been extended to the end of March 2021 for applications.

Where you have not fully utilised the schemes it is possible to apply for top ups.

We think that the majority of eligible clients and those that wanted to claim have done so have already had their loans approved and received funds but it’s good that the scheme is open to further advances in the light of the ongoing situation.

Budget 2021:

The Chancellor has announced his Budget will be on 3rd March 2021. We expect changes but nothing that affects the current tax year

Sale of Residential Property:

The new 30 day reporting deadline came in earlier this year on the sale of residential property. The new rules require that you report your gain online to HMRC and pay the estimated CGT due within 30 days.

This reporting is catching out a number of clients leading to surcharges being issued. One of the challenges is setting up a Government Gateway for yourself if you don't have one. We recommend that if you own any residential property (excluding your main residence) you set up your Government Gateway account now. If you need assistance then please contact us and we have a helpsheet to guide you through the process.

Tax deadlines:

It's worth remembering that if you have a company with a March 2020 year end your corporation tax is due on 1st January 2021. This is despite the extension by Companies House to 31st March 2021 to file accounts. Interest is very low so couple of days late should be relatively inexpensive.

The Self Assessment tax filing deadline of the end of January 2021 has not yet been extended and tax is payable on this date as well. If you have not paid the July 2020 instalment then this becomes payable at the end of January as well. At present there is no relaxation of the surcharges which kick in from the end of February 2021 if you have not paid all the 2019/20 tax due.

Office Christmas hours:

Our offices close at 5.30pm on 23rd December and reopen at 8.45am on Monday 4th January

May we take this opportunity to wish everyone a Happy Christmas (despite the restrictions) and less challenging 2021

If you have any particular queries please contact us to discuss

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