



14th April 2020

What financial support is available to my business and other frequently asked Questions Factsheet v1

We have put together a question and answer fact sheet on what current financial support is available to business based on the common questions we have been getting from members. I have also tried to answer other questions too. Please let me know if you have additional questions which I haven't covered and I will add them to the list.

With the rapidly changing nature of the COVID-19 outbreak, information and advice from the Government can change quickly. For all the latest Government information on COVID-19 and the measures the Government, and Devolved Governments, are taking, please visit the UK Government [website](#) and the Welsh Government [website](#)

The information below will be reviewed and updated often, please be sure to check the [COVID-19: guidance for employers and businesses](#) from the Government for the latest updates.

The Welsh Government have created an online [COVID-19 business support eligibility checker which can be found here](#)

You will also receive a questionnaire this afternoon which we hope will help identify those businesses still unable to access support, so please look out for this and reply to it even if you are already in receipt of grant and/or loan aid.

Kind regards & stay safe,
Laura

QUESTIONS & ANSWERS

1. [Self Employed Income support scheme](#)

- Question. Am I eligible?

Answer: To be eligible for the scheme you must meet all the criteria below:

- Be self-employed or a member of partnership;
- Have lost trading/partnership trading profits due to COVID-19;
- Have filed a tax return for 2018-19 as self-employed or a member of a trading partnership. Those who have not yet filed for 2018-19 will have an additional 4 weeks from this announcement to do so;
- Have traded in 2019-20; be currently trading at the point of application (or would be except for COVID 19) and intend to continue to trade in the tax year 2020 to 2021
- Have trading profits of less than £50,000 and more than half of your average total income comes from self-employment.

This can be with reference to at least one of the following conditions:

- Your trading profits and total income in 2018/19
- Your average trading profits and total income across up to the three years between 2016-17, 2017-18, and 2018-19.

- Question: How much will I get from the self employed income support scheme?

Answer: This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months (i.e. where £2500 is 80% of your average normal income). This may be extended if needed.

You'll get a taxable grant which will be 80% of the average profits from the tax years (where applicable):

- 2016 to 2017
- 2017 to 2018
- 2018 to 2019

To work out the average HMRC will add together the total trading profit for the 3 tax years (where applicable) then divide by 3 (where applicable), and use this to calculate an average monthly amount.

It will be up to a maximum of £2,500 per month for 3 months. They will do this if you have only traded for 2, 1 or partial years. HMRC will pay the grant directly into your bank account, in one instalment.

- Question: How do I access it or apply?

Answer: Individuals should not contact HMRC about the self employment support scheme at this time. HMRC will use existing information to check potential eligibility and invite

applications once the scheme is operational. HMRC will then pay the grant directly to eligible claimants' bank accounts.

HMRC is urgently working to deliver the scheme; grants are expected to start to be paid out by the beginning of June 2020 (earlier if possible). **For eligible individuals who have not submitted their returns for 2018-19, the deadline has been extended to 23rd April** to file your return and therefore become eligible for this scheme.

HMRC are publishing guidance on the scheme, [available here](#). This guidance will continue to be updated. **Please note:** You will access this scheme only through [GOV.UK](#). If someone texts, calls or emails claiming to be from HMRC, saying that you can claim financial help or are owed a tax refund, and asks you to click on a link or to give information such as your name, credit card or bank details, it is a scam.

- Question: Can I access the self employment support scheme now?

Answer: No. HMRC is urgently working to deliver the scheme; grants are expected to start to be paid by the beginning of June 2020. This time is necessary to ensure that the scheme is both deliverable and fair. In the interim the self-employed will still be eligible for other government support including universal credit and business continuity loans.

Further information on how to access this scheme [can be found here](#).

- Question: Can I still work and get the self employment support grant?

Answer: Yes, you can continue to work, if it is safe to do so, and you will still receive the self employed income support grant in June.

- Question: Is the self employment support a loan or a grant?

Answer: The self employment support scheme is a grant, so you will not need to repay it, but it will be a taxable grant, so you will need to include it in your tax return for 2020/2021.

- Question: What if you pay yourself a mixture of dividends and salary

Answer: Not covered under the self employment support scheme. If you pay yourself the salary part by PAYE then you can furloughed yourself [using the Job Retention Scheme](#). You are able to carry out any statutory roles required to run your company but not to carry out any work that might generate income to the company.

- Question: What other support can self - employed people get and access currently?

Answer: The government is also providing the following additional help for the self-employed:

- [deferral of Self Assessment income tax payments due in July 2020 and VAT payments due from 20 March 2020 until 30 June 2020](#)
- [grants for businesses that pay little or no business rates](#)
- increased amounts of [Universal Credit](#)
- [Business Interruption Loan Scheme](#)

2. Business rates grants

- Question: How do I claim the business rate grant?

Answer: This is different depending on which Local Authority your business is located in. For more information on each local authority please click [here](#). The information you need will be available on-line.

- Question: I have more than one rateable business, can I claim more?

Answer: Yes, you can claim up to two grants.

- Question: I haven't paid business rates, but perhaps I should have been.

Answer: You can contact your local authority rates department as ask for a revaluation if you think it helpful. If the authority agrees, you could then be eligible to claim the £10,000 or £25,000 business rate grant, however there may be other implications concerning registering to pay business rates in the future, so we suggest you seek independent advice before approaching your local authority. Find your local authority contact [here](#)

- Question: I don't pay Business rates, what support can I get?

Answer: Microbusinesses, including start-ups, employing up to nine employees could be eligible for up to £10k support from the Economic Resilience Fund, **if they are not eligible for the Self-employed Grant or the Business Rate Grant.**

The application form will be available for businesses by the 17th April 2020 [and found here](#) but please read the eligibility information to check if your [business meets the criteria](#) and use the eligibility [checker to access more information about this scheme](#)

Businesses in this bracket could qualify for support from the fund if:

- employing between 1 and 9 employees (In addition to the business owner)
- operating address in Wales and have employees in Wales
- VAT registered
- have experienced a drop in turnover greater than >40% as a result of the COVID-19 outbreak (since the 1 March 2020)
- supported businesses must aim to maintain employment for 12 months
- only one application per businesses

3. Any other support available to Welsh Businesses?

- Question: What other support are the Welsh Government offering Businesses?

Answer: Businesses in Wales can also benefit from a £400 million emergency pot through the Economic Resilience Fund announced last week.

This includes:

- Grants of up to £100,000 for small and medium sized firms with between 10 and 249 employees. Qualifying businesses will be able to apply 17th April. Please read the [guidance here](#) until then please read the eligibility information to check if your [business meets the criteria](#). We advise applying as quickly as possible for this fund since there is only a finite amount allocated and we anticipate a large uptake. Please use the eligibility [checker to access more information about this scheme](#)
- Support for larger Welsh companies, which are of critical social or economic importance to Wales. This element will be open to qualifying businesses within the next two weeks.
- Loans - Should you need extra funds for your cashflow whilst applying for grants,, there is a temporary Coronavirus Business Interruption Loan Scheme. This covers a variety of different products such as loans, overdraft, invoice finance and asset finance, delivered by the British Business Bank. The government will provide lenders with a guarantee of 80% on each loan to give lenders further confidence in continuing to provide finance to SMEs. Businesses can access the first 12 months of that finance interest free, as the government will cover the first 12 months of interest payments. [Further details here.](#)

4. Support for those employing staff.

- Question: What support is available for businesses employing staff?

Answer: You can furlough your staff if needed through the Government Coronavirus Job Retention Scheme. Under the Coronavirus Job Retention Scheme, all UK employers with a PAYE scheme that was created and started on or before 28 February 2020, will be able to access support to continue paying part of their employees' salary for those that would otherwise have been laid off during this crisis. This applies only to workers who were paid via PAYE on or before 28th February 2020. If workers commenced after this date, they can apply to their previous employer to be furloughed, or can apply for Universal Credit.

This applies to employees who have been asked to stop working, but who are being kept on the payroll, otherwise described as 'furloughed workers'.

HMRC will pay employers a grant worth 80% of an employee's usual wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage. This is to safeguard workers from being made redundant. It is expected that the employer funds the additional 20% costs so their workers remain on their normal pay, but this is not compulsory should the employer be unable to do this at this difficult time. HMRC are creating an online portal for employers to reclaim these wages costs which is expected to be ready at the end of April.

The Coronavirus Job Retention Scheme will cover 80% of the cost of wages backdated to March 1st if applicable and is initially open for 3 months, but will be extended if necessary.

[Find out more here.](#)

- Question: How do I access Coronavirus Job Retention Scheme?

Answer: You will need to:

1. Designate affected employees as 'furloughed workers,' and notify your employees of this change – changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.
2. Once the new online portal is live, submit information to HMRC about the employees that have been furloughed and their earnings.

- Question: I have questions about employment – where can I go?

Answer: To get advice for employers and employees on workplace rights, rules and best practice and specific advice in relation to coronavirus including: – Sick reporting and pay – Self-isolation – Work absence including caring for someone Please visit the [ACAS website](#).

- Question: What proof do my employees need to provide to take sick leave?

Answer: By law, medical evidence is not required for the first 7 days of sickness. After 7 days, it is for the employer to determine what evidence they require, if any, from the employee. This does not need to be a fit note issued by a GP or other doctor.

The NHS has launched a new isolation note. This new temporary system will enable people who are advised to self-isolate to obtain an isolation note via NHS 111 online or the NHS website. This can then be used as evidence for absence from work, to avoid patients visiting their GP practice unnecessarily. Employees should go to this [link](#) and complete the online questionnaire to access the isolation note (first they will need to provide information about their location and symptoms).

- Question: I employ people on zero hours contracts / gig economy workers. Can they access support?

Answer: With the Coronavirus Job Retention Scheme, you can claim to cover wages for employees on temporary leave (“furlough”) due to coronavirus. This can be for any type of contract, including a zero-hour contract or a temporary contract. The scheme allows you to claim for 80% of furloughed employees’ usual monthly wage costs, up to £2,500 a month. For employees whose pay varies, there are more details about [how much you can claim here](#).

Further information on support for employees [is available here](#).

If workers were self-employed and not paid via PAYE, they do not fall under the Job Retention Scheme and will need to make their own claim for support.

5. Other Questions:

- Question: What if my business does not have insurance cover for a pandemic?

Answer: Businesses are encouraged to check the terms and conditions of their specific policy and contact their broker or insurer to understand what they are covered for.

However, we recognise that many businesses, particularly SMEs, don’t have insurance cover for a pandemic and so the Government is making cash grants available to help businesses bridge through this period.

- Question: Which businesses are closed?

Answer: On 23 March the government stepped up measures to prevent the spread of coronavirus and save lives. All businesses and venues outlined in the [government's guidance here](#) must close.

Takeaway and delivery services may remain open and operational in line with the guidance. Online retail is still open and encouraged and postal and delivery service will run as normal, although with reduced capacity and possibly longer standard delivery times.

- Question: How long will closures last?

Answer: There is no answer yet as to when lockdown is likely to start to be lifted, but this is being reviewed daily, considering necessity and effectiveness in light of changing circumstances. We will update you on any announcements made on this matter.

- Question: Who are classed as key workers?

Answer: Schools have closed but schools, and all childcare providers, are being asked to continue to provide care for a limited number of children – children who are vulnerable, and children whose parents are critical to the coronavirus response (“key workers”) and cannot be safely cared for at home.

The Government has issued guidance for those workers considered to be vital in areas across the UK whose children will be offered priority to continue to attend school. The list covers:

- Health and social care;
- Education and childcare;
- Key public services;
- Local and national government;
- Food and other necessary goods;
- Public safety and national security;
- Transport;
- Utilities;
- Communication and financial services.

If employees' work is critical to the coronavirus response or they work in one of the critical sectors listed, then their children will be prioritised for education provision. If workers think they fall within the critical categories above, they should confirm with you as their employer that, based on their business continuity arrangements, their specific role is necessary for the continuation of this essential public service.

- Question: Can I get any help to reduce my business' energy bills?

Answer: A business in financial distress should speak to their energy supplier about their energy bill and ways to restructure payments. Find more information here on [GOV.UK](#).

What can I do as a small business experiencing late payments from bigger businesses? If you are a small business (under 50 staff) who has not been paid by a business larger than you, you can contact the office of the small business commissioner who can offer advice and offer help with late payment issues. If your business does not meet the conditions for the SBC to intervene in your case, you can pursue the debt recovery through the courts. More information is available on the [Small Business Commissioner website](#).

Businesses can also call the office of the small business commissioner on 0121 695 7770. Office hours are Monday to Friday between 9am and 5pm.

- Question: How do I tell the difference between genuine communication from the Government and messages from scammers?

Answer: Businesses should be aware there are fraudsters out to scam them who may present themselves as the Government.

Do not give out private information (such as bank details or passwords), reply to text messages, download attachments or click on any links in emails if you're not sure they're genuine. For more guidance on how to avoid and report scams and phishing [click here](#).