

# MASSIVE GOVERNMENT BUSINESS BAIL-OUT PLAN



Today, The Chancellor of the Exchequer, Rishi Sunak announced an “unprecedented” set of measures to protect employment and business throughout the coronavirus pandemic.

The Chancellor asked that businesses consider these new options before making any decisions on terminating any staff employment. As always, with any speech from a Chancellor, be it a Budget or a pandemic update, the detail of these schemes will follow later, but in summary, the following are the key points announced today:

- the government will assist with the payment of 80% of employee wages, up to a maximum of £2,500 per month. This will apply to furloughed workers from 1 March 2020 for a period of 3 months, but with potential for extension to the period;
- the Coronavirus Business Interruption Loan Scheme (of up to £5 million) will now carry a 12-month interest free period rather than 6 months as originally announced;
- it was announced that another scheme will be made available for larger and medium sized businesses next week;
- the next quarter of VAT payments for businesses will be deferred, with the deferred amounts due to be paid by the end of the 2020/21 financial year;
- for the self-employed, the self-assessment income tax instalment payment due on 31 July 2020 will be deferred until 31 January 2021.

Further announcements included increased protection for renters of properties and an increase in universal credit (£1,000 per year) as well as an access to universal credit for the self-employed.

As more details of these schemes are released, we will provide further updates.

We have arrangements in place to remain at your service throughout this pandemic and we will keep you apprised as further statements are made by the government. Please contact your usual Rawlinson & Hunter contact should you require further information or any assistance with the above or any of those listed on the following page.

# BUSINESS TAX ALERT

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