

## Other Points of Interest

*(Latest guidance updates first)*

### Penalties Factsheet

On 28 July 2020, HMRC published the “*CC/FS48 Coronavirus Job Retention Scheme – receiving grants you were not entitled to*” factsheet which confirms the following:

- HMRC will use their powers to recover overclaimed Coronavirus Job Retention Scheme (CJRS) grants and issue penalties accordingly.
- Payment of the amount assessed is due 30 days after the tax assessment is issued. Interest will be charged on late payments. Late payment penalties may also be charged if the amount remains unpaid 31 days after the due date.
- If you overclaimed a CJRS grant and have not repaid it, or received an assessment from HMRC, you should notify HMRC within the notification period. The notification period ends on the latest of whichever date applies below:
  - 90 days after you receive the CJRS grant you’re not entitled to.
  - 90 days after the day circumstances changed so that you were no longer entitled to keep the CJRS grant.
  - 20 October 2020 (90 days after the Finance Act received Royal Assent).
- If HMRC have not made an assessment you must include the relevant details if the overpaid CJRS grant on the appropriate Corporation Tax return or on your 2020 to 2021 Self-Assessment tax return.
- HMRC will not charge a penalty if you;
  - did not know you had overclaimed the CJRS grant at the time you received it, or
  - at the time that circumstances changed meant that you stopped being entitled to it and
  - if you have repaid it within the relevant time period.
    - If you are a sole trader or a partner, the relevant period ends on 31 January 2022.
    - If you are a company, the relevant period ends 12 months from the end of your accounting period.
- If you fail to notify HMRC that you are chargeable to Income Tax on an overclaimed CJRS grant and you know that you were not entitled to the grant then the failure will be deliberate and concealed This means a penalty of up to 100% could be charged.
- HMRC will not actively look for innocent errors in their compliance approach.
- Directors of insolvent companies who deliberately abused the CJRS can be made personally liable where tax cannot be recovered from the company.
- Further information on what to do if you have made an error in your claim is available in the Coronavirus Job Retention Scheme [guidance](#).

See the full factsheet [here](#).

*Updated 28 July 2020*



## Change to PPE Expenses

- Government had a re-think about the tax treatment of coronavirus test kits provided to employees and it was confirmed that coronavirus (COVID-19) tests provided by employers to their employees *will not be a taxable benefit*.
- HMRC's [guidance](#) has now been updated to reflect these changes, and related legislation will also be made through regulations in due course.

Updated 10 July 2020

## PPE Expenses

- On 6 July 2020, HMRC guidance was updated to state that where an employer provides coronavirus testing kits to their employees or arranges for coronavirus related tests to be carried out on them by a third party, such expenses are treated as a taxable benefit in kind on the employee.
- Information has also been added to state that PPE must be provided free of charge to employees who work in a situation where the risk of coronavirus transmission is very high.
- Where the employer is unable to provide PPE, they must reimburse the actual expenses of employees who purchase PPE themselves.
- The provision of PPE or reimbursing the expenses of purchasing it is non-taxable on the employee and employees cannot claim tax relief on any expenses they incur on acquiring PPE.

View the updated guidance [here](#).

Updated 6 July 2020

## Corporate Insolvency and Governance Bill

- On 25 June 2020, the Corporate Insolvency and Governance Bill received royal assent and is now an Act.
- The measures detailed in this Act are aimed at relieving the burden on businesses during the coronavirus pandemic and enable them to put more focus on the survival of their business.
- Some of the measures in the Act came into effect immediately on Friday 26 June 2020 while others came into effect on Saturday 27 June 2020 when the secondary legislation came into force.
- Government published detailed guidance on the [changes that came into effect on Friday 26 June](#) and guidance on the [changes that came into effect on Saturday 27 June](#).

## Changes for public companies

- For public limited companies (PLCs) and Societas Europaea (SEs) with filing deadlines falling between 26 March 2020 and 29 September 2020, HMRC will extend the deadline to the earlier of:
  - 30 September 2020
  - 12 months from the end of your accounting period



- If a filing deadline fell between 26 March 2020 and 26 June 2020, HMRC will extend the deadline retrospectively.
- If a PLC or SE had a filing deadline between 26 March 2020 and 26 June 2020 and the accounts were filed late, HMRC will review the late filing penalty and be in contact if it's incorrect.

See the full guidance [here](#).

### Temporary changes to Companies House filing requirements

- Businesses registered on Companies House will get an extended time period to file accounts.
- If eligible, HMRC will update the company's filing deadline automatically. Companies do not need to apply for an extension.
- If a company has already extended their accounts filing deadline, they may not be eligible for an extension.
- Companies will be eligible for a legislative extension if the filing deadline falls on or before 5 April 2021. The deadline will not be extended next year if it falls on or after 6 April 2021.
- If a company's first accounts cover a period of 12 months or less, and they have not received an extension, the filing deadline will be extended from:
  - 9 months to 12 months for private companies
  - 6 months to 9 months for public companies
- Under the secondary legislation, companies will receive an automatic extension for the following accounts:
  - accounts
  - confirmation statement
  - event-driven filings (changes to the company)
  - mortgage charges
- Businesses registered at Companies House will get more time to file their confirmation statement. The current 14-day deadline will be extended to 42 days.
- Directors will still need to meet their filing obligations with Companies House. **Late filing penalties will still be applied if accounts are filed late.**

See the full guidance [here](#).

Updated 25 June 2020

### Notifying Period

On 25 June 2020, government published their amendments and new clauses at Report Stage of the Finance Bill 2020, one of which is [New Clause 19 and New Schedule 1: Taxation of coronavirus support payments](#). Point 78 states the following:

*“Subparagraph 3 sets the time limits for notifying chargeability under paragraph 12(1) as the later of 90 days after this Act received Royal Assent or 90 days after the income tax becomes chargeable in accordance with paragraph 8(3) of the Schedule.”*

This is an update from HMRC's Tax Information and Impact Note, which was published alongside the [“Draft legislation: Taxation of coronavirus \(COVID-19\) support payments”](#) consultation which set out that a penalty will only apply if the personal fails to notify HMRC



about deliberate incorrect claims within 30 days, or 30 days after the Finance Bill receives Royal Assent if it arose before that date.

*Updated 25 July 2020*

### **CITB Suspend Levy**

- In the Construction Industry Training Board's (CITB) [Skills Stability Plan 2020/21](#) published on, 25 June 2020, the CITB detailed the steps they are taking to help businesses recover from the pandemic.
- Employers will not be required to pay the levy until September 2020.
- Employers will then have up to a full year to pay the 2020/21 levy.
- The training organisation has also proposed halving its 2021/22 levy rate which they will collect from September 2021, with an option to spread payments up to March 2022.
- Companies will therefore pay 18 months out of the next 24, which equates to a 25% saving across two years.

*Updated 25 June 2020*

### **NHS Track and Trace**

Guidance on the NHS test and trace service for employers, businesses and workers has been updated to advise on the steps that need to be followed in the event of multiple outbreaks of coronavirus in the workplace.

See the guidance [here](#).

Updated 15 June 2020

### **Parents on statutory leave eligible for furlough post 10 June cut-off**

- The Government has [announced](#) that parents on statutory maternity and paternity leave who return to work in the coming months will be eligible for furlough scheme even after 10 June cut-off date.
- Employers will only be able to furlough parents returning after a period of maternity or paternity leave *if they have previously furloughed other employees*.
- This will also apply to people on adoption leave, shared parental leave and parental bereavement leave.
- Coronavirus Job Retention Scheme (CJRS) will close to new entrants at the end of June with the last date an employee can be furloughed for the first-time being *10 June 2020* as new flexibilities are introduced to support economy
- The CJRS will be able to be used for the effected employees but will be subject to the taper which is set to take place from August 2020

*Updated 9 June 2020*



## Taxation of Grants

On 29 May 2020, Government published a consultation on draft clauses to the Finance Bill 2020 “Draft legislation: Taxation of coronavirus (COVID-19) support payments”.

- The legislation ensures that grants made under the Coronavirus Job Retention Scheme (CJRS) and Self-Employed Income Support Scheme (SEISS) are within the scope of tax and included as revenue for income tax and corporation tax purposes.
- This will apply to the following support payments:
  - CJRS,
  - SEISS,
  - Any other scheme that is the subject of a direction given under section 76 of the Coronavirus Act 2020 (functions of Her Majesty’s Revenue and Customs in relation to coronavirus or coronavirus disease),
  - A Coronavirus Business Support Grant Scheme; and
  - Any scheme specified or described in regulations made under the draft legislation by the Treasury.
- Under the CJRS, the recipient of the grant is taxed if the employees are working in a UK taxable business (to ensure that any deduction for employee expenses met by the grant is matched by taxation of the grant covering those expenses).
- Grants paid under the CJRS in respect of employees not working for a business are outside the scope of tax.
- Under the SEISS, the recipient of the grant is taxed on the amount as if it were profits of the trade to which it relates in the 2020-21 income tax year.
- HMRC will have additional compliance and enforcement powers in relation to the CJRS and SEISS in order to recover payments in which recipients were not entitled. These powers can also be used in circumstances where a CJRS payment has not been used to pay employees, make pensions contributions, pay PAYE or National Insurance contributions.
- HMRC will have the power to recover payments, by imposing a 100% tax charge, from anyone who has received a payment under the Schemes to which they are not fully entitled or anyone who has not used a CJRS payment to pay employee costs, PAYE, NICs and make pension contributions.
- HMRC will charge a penalty if an individual’s behaviour is considered to have been deliberate.
- The provisions give HMRC powers to make an officer of an insolvent company jointly and severally liable for the Income Tax charge raised in relation to any CJRS payment to which the company was not entitled or any CJRS payment which was never intended to be used to pay employee costs, PAYE, NICs and make pension contributions in certain circumstances.
- The measure will be monitored through information collected from tax returns, receipts and compliance activity.
- The measure will have effect from Royal Assent of the Finance Bill 2020.
- The consultation will close on 12 June 2020.

View the consultation [here](#).

*Updated 29 May 2020*

## GLAA to end temporary licensing scheme



- In March 2020 the Gangmasters and Labour Abuse Authority (GLAA) introduced a temporary licensing scheme to support food supply sectors during the COVID-19 pandemic.
- Temporary licences were granted to businesses operating within the wider labour supply industry which sought to assist with the supply of labour for GLAA sectors and were valid for a 3-month period. The aim of the scheme was to ensure a quick and effective supply of labour to companies dealing with food provision to alleviate any supply issues.
- GLAA brief 64 announces that the application process for temporary licences will end on 1st June 2020.

Read GLAA brief 64 [here](#).

*Updated 28 May 2020*

## **Annual Leave Update**

On 13 May 2020, Government published guidance on employer's entitlement to force furloughed employees to take annual leave during this pandemic.

- Employers can both force and cancel a worker's holiday as long as they give enough notice to the worker.
- Required notice periods are:
  - double the length of the holiday if the employer wishes to require a worker to take holiday on particular days, or
  - the length of the planned holiday if the employer wishes to cancel a worker's holiday or require the worker not to take holiday on particular dates.
- Employers can ask workers to take or cancel holiday with less notice but need the workers' agreement to do so.
- Workers on furlough can take holiday without disrupting their furlough.
- Holiday pay must be paid at 100% of salary. Note: the employer can continue to claim the 80% grant from the government to cover most of the cost of holiday pay.
- If an employer requires a furloughed worker to take holiday, the employer should consider whether any restrictions the worker is under, such as the need to socially distance or self-isolate, would inhibit the worker from resting, relaxing and enjoying leisure time, which is considered to be the fundamental purpose of holiday.
- Bank holiday annual leave can be deferred until a later date if it is the employee's contractual right to receive it.

See the full guidance [here](#).

*Updated 13 May 2020*

## **Back to Work**

Government have now published practical guidelines published to make workplaces as safe as possible and give people confidence to go back to work during coronavirus pandemic.

8 guides have been created to cover a range of different types of work. Many businesses operate more than one type of workplace, such as an office, factory and fleet of vehicles.



Employers are encouraged to use as many relevant guides as possible to ensure optimum safety of their staff.

View the full list of practical guides [here](#).

*Updated 13 May 2020*

## **Appeals**

HMRC have updated guidance to state that if an individual or their business have been affected by coronavirus, HMRC will give them an extra three months to appeal any decision dated February 2020 or later. Taxpayers should send their appeal as soon as they can, and explain the delay is because of the impact of Covid-19.

See the updated guidance [here](#).

*Updated 11 May 2020*

## **Health and Safety**

On Sunday 10 May 2020, the Prime Minister advised that there would be a return to work for some employees within some sectors (but not Wales or Scotland or Northern Ireland), from Wednesday 13 May 2020. This will only apply to employees who *are unable to work from home*. The Company can follow the new '[Staying alert and safe \(social distancing\) guidance](#)' published on 11 May 2020 in respect of social distancing.

*Updated 11 May 2020*

## **Employer Bulletin**

Government have published the employer bulletin containing a round-up of the guidance and support available to businesses during COVID-19.

See the bulletin [here](#).

*Updated 24 April 2020*

## **Parental/Adoption Leave**

Furloughed workers planning to take paid parental or adoption leave will be entitled to pay based on their usual earnings rather than a furloughed pay rate.

View the announcement [here](#).

*Updated 24 April 2020*





## **Business Support Finder Questionnaire**

On 20 April 2020, Government published the Business Support Finder questionnaire to aid businesses in finding out their eligibility for loans, tax relief and cash grants.

Access the questionnaire [here](#).

*Updated 20 April 2020*

## **Compliance**

HMRC manuals have now confirmed that compliance activity will be paused until 30 April 2020.

*Updated 20 April 2020*

## **Apprentices**

- The Apprenticeship Levy remains to be payable – there are no current plans to pause the collection of the Apprenticeship Levy because of Covid-19 disruption.
- The Education and Skills Funding Agency (ESFA) is implementing new measures for the duration of the pandemic.
- Apprentices can be furloughed.
- Furloughed apprentices will have the flexibility to continue their training, as long as it does not provide services to, or generate revenue for, their employer.
- Training providers can deliver training to apprentices remotely and via e-learning.
- End-point assessment arrangements can be modified and carried out remotely where possible. It is important that those who cannot carry out their end-point assessments can be rescheduled.
- Employers and training providers can report and initiate a break in learning in cases where the interruption to learning, due to COVID-19, is for more than 4 weeks. The payment of funding to the training provider will be suspended for the duration of the break in learning.
- In the event that an apprentice is made redundant, Government will aim to find them alternative employment to continue their apprenticeship as quickly as possible within 12 weeks.

See the full guidance [here](#).

*Updated 7 April 2020*

## **Right to Work**

- Yesterday (30 March 2020), Home Secretary, Priti Patel, announced that Right to Work checks have been temporarily adapted to make it easier for employers to carry them out during the outbreak of COVID-19.





- Employers will no longer need to see original Right to Work documentation.
- Workers will now be able to submit scanned documents, rather than original copies.
- Checks can be undertaken over a video call.
- Employers will be required to record the date the check was made and clearly mark it as *“adjusted check undertaken on [insert date] due to COVID-19”*
- This will be effective immediately (30 March 2020).
- An announcement will be made in relation to when these measures will end.
- Once the temporary changes end, employers will be asked to carry out the full checks on existing employees who started work during the pandemic within 8 weeks of the COVID-109 measures ending.
- Retrospective checks must clearly be marked as *“the individual’s contract commenced on [insert date]. The prescribed right to work check was undertake on [insert date] due to COVID-19”*.
- If a prospective employee cannot provide any of the accepted Right to Work documents, the employer should use the Employer Checking Service.
- It remains an offence to knowingly employ anyone who doesn’t have the right to work in the UK with potential fines of £20,000 per illegal employee.

For the full announcement, click [here](#).

For the guidance, click [here](#).

*Updated 31 March 2020*

## **Insurance**

- Government are aware that many businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.
- However, those businesses which have an insurance policy that covers government ordered closure and pandemics or government ordered closure and unspecified notifiable disease should be able to make a claim (subject to the terms and conditions of their policy).
- Businesses are encouraged to check their insurance policies and contact their providers to see if they have cover in event of a pandemic or government-ordered closure.

View the full guidance [here](#).

*Updated 30 March 2020*

## **NHS Volunteers**

- Legislation has been passed to allow statutory leave for those taking on emergency voluntary duties.
- Volunteers can work for 2, 3 or 4 weeks in any 16-week volunteering period
- Those who are confirmed by an appropriate authority as an emergency volunteer will be given a certificate.



- This must be given to their employer no later than 3 days after receiving the certificate.
- Periods of leave will be without pay.
- An employee who takes emergency volunteering leave is, entitled during any period of leave to the benefit of all of the terms and conditions of employment which would have applied if the employee had not been absent
- The Secretary of State must make arrangements for making payments to emergency volunteers by way of compensation —
  - for loss of earnings, and
  - for travelling and subsistence.
- “A person is entitled to receive payments by way of compensation for loss of earnings only if, in consequence of acting as an emergency volunteer, the person has suffered a loss of earnings that the person would otherwise not have suffered”

Further information can be found in Schedule 7 of the [Coronavirus Act 2020](#).

*Updated 27 March 2020*

### **CITB Levy**

- The Construction Industry Training Board (CITB) has suspended the issue of its levy bills (which usually takes place in April) for at least three months.
- This is aimed to ease financial pressures for businesses affected by the COVID-19 outbreak.
- The bills will subsequently be issued for the full year.
- CITB levy bills are usually due to payment in May, but CITB will not seek collection on the suspended bills until August, or later.
- The CITB are communicating with the Government to influence support for the construction industry, including seeking a financial grant for their work building critical industry skills.
- The CITB will review this matter on an ongoing basis.

*Updated 27 March 2020*

### **Annual Leave**

- [The Working Time \(Coronavirus\) \(Amendment\) Regulations 2020](#) were implemented on 26 March 2020 to allow for more flexibility when dealing with annual leave remaining in this leave year where workers struggle to take their remaining entitlement before the end of the leave year. This may be because:
  - they're self-isolating or are too sick to take holiday before the end of their leave year
  - they've been temporarily sent home as there's no work ('laid off' or 'put on furlough')
  - they've had to continue working and could not take paid holiday
- The Regulations now give workers a statutory right to carry leave over into the next two leave years after this one. This change is relevant to the first 4 weeks of leave under the Regulations which originate in EU law. This component of annual leave



would originally have been lost if it was not taken in the leave year in which it accrued. This means that all *statutory* minimum annual leave accrued in this leave year is now capable of being carried over, in the following way:

- 4 weeks (legal entitlement to be carried over to next two leave years)
- 1.6 weeks (employers have discretion to agree that this be carried over to the next leave year)
- Enhanced contractual entitlement (at employers' discretion)

*Updated 27 March 2020*

## **Business Rates and Local Authority Grants**

### **• Business Rates**

A business rates holiday will be introduced for businesses in the retail, hospitality and leisure sectors for the 2020/21 tax year

### **• Retail, Hospitality and Leisure Grant**

- Retail, hospitality and leisure businesses with a rateable value of
  - Under £15k will qualify for a grant of £10k
  - Over £15k but under £51k will qualify for a grant of £25,000

### **• Small Business Grant Scheme**

- The government will provide additional funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBR).
- This will provide a one-off grant of £10,000 to businesses currently eligible for SBR or rural rate relief, to help meet their ongoing business costs.
- Small businesses will be contacted by their local authority if eligible for SBR.

View the full guidance [here](#).

*The information changes so rapidly and we will try our best to keep you updated but for full and accurate updates, we would recommend checking the Government website.*

*Updated 30 March 2020*

*We will continue to update this page as more legislation and regulations are published. Please check this page regularly.*