

Funding Update

Furlough Reminder – Employers to Contribute From July 2021

The Coronavirus Job Retention Scheme (CJRS) has been extended until the end of September 2021.

For periods from 1 July, CJRS grants will cover 70% of employees' usual wages for the hours not worked, up to a cap of £2,187.50. In August and September, this will then reduce to 60% of employees' usual wages up to a cap of £1,875.

Employers will need to continue to pay their furloughed employees at least 80% of their usual wages for the hours they do not work during this time, up to a cap of £2,500 per month. Therefore, for periods between July and September, employers must pay the difference between this and the CJRS grants themselves. Employers can also top up wages above the 80% if they wish, but this is not mandatory. Employers must pay the associated Employer NI and pension contributions on furlough pay from their own funds.

For more information visit <https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme>

Self-Employment Income Support Scheme – Fifth Grant Reminder

For those who are eligible, HMRC will contact you from mid-July to give you a date that the claims service will be available to you from. It will be given to you either by letter, email or via the online service. The online service to claim the fifth grant will be available from late July 2021 and you must make your claim on or before 30 September 2021.



How the Fifth Grant is Different

The amount of the fifth grant will be determined by how much your turnover has been reduced in the year April 2020 to April 2021.

Turnover reduction	How much you will get	Maximum grant
30% or more	80% of 3 months' average trading profits	£7,500
Less than 30%	30% of 3 months' average trading profits	£2,850

For more information visit - <https://www.gov.uk/guidance/claim-a-grant-through-the-self-employment-income-support-scheme#what-youll-need-to-make-your-claim>

Bounce Back Loan Repayments - Pay as You Grow initiative

Many businesses who took out loans out under the government's Bounce Back Loan Scheme (BBLs) are now required to begin repaying them.

The BBLs helped to support businesses during the pandemic, with qualifying organisations able to apply for a minimum of £2,000, up to a maximum of £50,000, or 25% of business turnover, with the government paying the interest for the first 12 months.



To allow repayment flexibility, businesses can now choose to use the Pay as You Grow initiative, which gives firms the option to –

1. extend the length of their loan from six to ten years;
2. make interest-only payments for six months; or
3. pause repayments entirely for up to six months.

Lenders are expected to offer PAYG options to all borrowers under the Bounce Back Loan Scheme.

If you need further information about the scheme, visit -

<https://www.gov.uk/government/news/chancellor-eases-burden-on-more-than-a-million-businesses-through-pay-as-you-grow-flexible-repayment-options>

If you need further information regarding any of these areas, please email info@thomsoncooper.com.

Thomson Cooper

3 Castle Court, Carnegie Campus, Dunfermline

22 Stafford Street, Edinburgh

www.thomsoncooper.com

Tel 01383 628800

Tel 0131 226 2233