

Support for individuals, businesses and the self-employed





Support during COVID-19

The Government has launched a series of measures to help you and your business navigate these turbulent times.

In this bulletin, we explain what help is available to businesses. The detailed Government guidance can be read by clicking on this [link](#)

Government Support

Payroll Co-Funding Scheme

Known as the Co-Funded Payroll Scheme (CFPS), the Scheme began with Phase 1 which offered financial support to hotels, restaurants, bars, certain wholesalers and retailers, the fisheries industry, hairdressers and beauty salons, as well as those defined as self-employed, who pay class 2 social security contributions. It also included sole traders and partnerships.

Phase 2 has just been launched and now offers additional support to the following additional sectors including:

- Construction
- Transportation and storage
- Information and communication
- Finance and legal – in particular Real Estate, legal practice, accounting, bookkeeping, tax and audit

The aim of the Scheme is to assist employers with the management of their staff costs.

Funding may be available to businesses in specific industry sectors which have suffered “material detriment” as a result of COVID-19. A business is considered to have suffered material detriment if, during the relevant qualifying month, it would be able to evidence a drop in turnover of at least 30% in 2020 compared to the same month in 2019.

The basics of Phase 2 are as follows:

The Phase 2 Scheme covers the payroll costs incurred during the period from 1 April 2020 to 30 June 2020 (inclusive).

A claim will need to be made for each individual month during the “relevant period” through a separate online claim form.

The Scheme is designed to share wage costs between the taxpayer and the employer. The Scheme does not support wage costs where the current gross income of an employed worker is more than £4,558 a month (£54,696 a year).

For self-employed workers, this is a total gross income of £8,884 a month (£106,608 a year) based on the average monthly gross income for 2019.

It is expected that wherever possible, wages should be paid by businesses to employees for the usual amount at the usual time, but the Scheme does allow businesses to negotiate with workers to reduce hours worked.



In respect of wages paid, the Scheme provides for an **80%** refund of wage costs per employee, up to a maximum subsidy of £1,600 per month. The business must pay the worker the agreed wage for the month, before making an application under this Scheme.

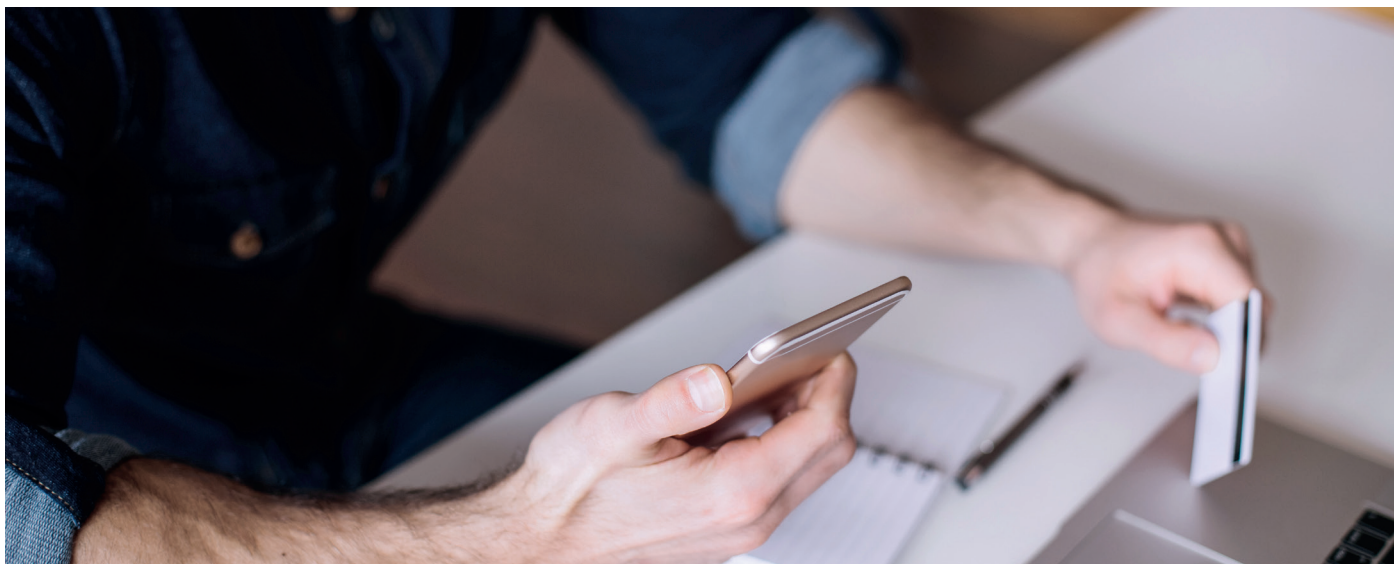
Wages that are subsidised through this Scheme are subject to income tax (ITIS) and Social Security contributions as usual.

If the business is unable to bear the full wage cost of the employee as part of the standard Scheme (where the taxpayer funds 80% and the business funds 20%), a special exemption can be applied for by making certain declarations, confirming that the business has insufficient working capital or cash flow to enable the business to meet its ongoing obligations or business costs.

Where a business applies for a special exemption, the business will be required to provide additional business and financial information as part of its application. This information may be reviewed at the point the application is made and therefore it may take longer for its application to be processed. The application will also be placed in a higher priority category for audit.



If the special exemption is not claimed it is important to note that businesses can only apply for a grant on the proviso that they continue to pay their employees' salaries as usual and on time. Applications for Phase 2 can now be made on the submission of wage information for April's salary (unless the special exemption is claimed). [Click here](#) to make an application. For guidance on how to complete the application, please [click here](#).



Social Security contributions

Certain businesses have the opportunity to defer their social security contributions.

Businesses with fewer than 80 employees or self-employed individuals can defer their social security contributions for Quarter A and Quarter B (April and July).

Businesses with more than 80 employees who wish to defer must notify the Social Security Department. They can do so by contacting sscontributions@gov.je. Any deferment is conditional upon returns being filed on time during these filing periods.

Outstanding contributions to social security will be held on your account and payment will be discussed in due course.

For the avoidance of doubt, it is only payment that is being deferred. Businesses must continue to submit their social security schedules as normal. Failure to submit returns within the allotted timeframe could result in fines and penalties and a potential delay in benefit entitlements for employees.

The self-employed may also postpone paying social security contributions to improve their short-term cash flow.

GST

All GST registered businesses can apply to defer the payment of GST. This payment relates to monthly and quarterly returns for the accounting period ending 31 March, 30 April, 31 May and 30 June. The deferment will only be offered on the proviso that businesses continue to submit their returns on time during these accounting periods.

Should you defer any GST payments during this period, you must pay them no later than 12 months after they would originally be due. Businesses that can however continue to afford to pay their GST dues should continue to do so.

For the avoidance of doubt, it is only the GST payment that is being deferred. All returns etc. have to be submitted in accordance with the usual deadlines and GST to be charged as normal.

Self-employed

GST registered self employed individuals may retain GST collected from their customers and, in due course, arrange to pay it later.



Summary

Support is available to help with wages, but please note that Social Security and GST is only a deferment and these monies will have to be paid in due course.

It is very important to consider carefully your cash flow position and whether your business should be considering taking any further action to protect itself in these uncertain times.



Other points to consider

If you have an employee who is following Government advice to self-isolate for 7 or 14 days and cannot work from home, they may be able to claim sickness benefit. If your organisation does not offer sick pay for this scenario, the employee may be able to claim short-term incapacity allowance through the Government.

To qualify for sickness benefit, if the employee is isolating due to coronavirus, they must be:

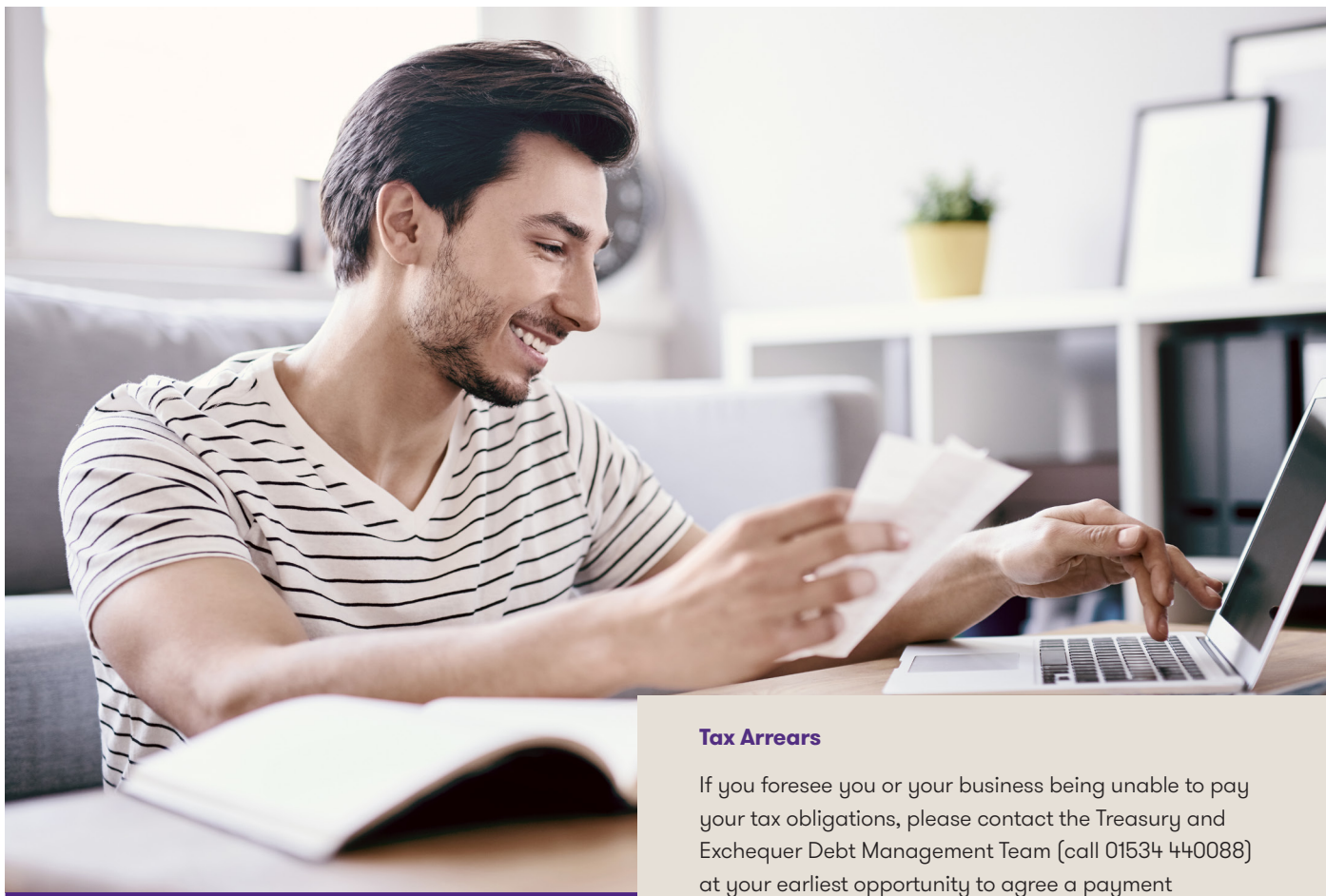
- normally employed, self-employed or actively looking for work
- working age (between compulsory school leaving age and pension age)
- not working from home, because they are unable to perform their role from home or because they are too unwell
- not receiving a working income/wage for the days they are isolating (unless the employer provides sick pay that will be offset by the claim for sickness benefit).

If you are an essential worker or you employ essential workers, a benefit worth up to £445.06 may be available if the essential worker has come into contact with someone who has tested positive for coronavirus. This translates as:

- someone in your household is displaying symptoms associated with coronavirus; or
- they are adhering to the Government advice imposed on those returning to Jersey following travel to another country.

The Government has issued guidelines for landlords and tenants of commercial and residential property. If you are having issues with rental payments, we would encourage you to engage with your landlord as soon as possible. Failure to engage may prejudice your position later if the matter proceeds to court.

Tenants of properties owned by the Government directly or through a Government owned company may be eligible for rental payment deferrals. Requests for rental deferment should be made directly to your landlord or property agent.



Support for taxpayers

Delay Personal Tax payment

Personal income taxpayers can request to defer payment if current circumstances prevent payment by the 31 May 2020 deadline. However, if you are able to make the payment, please do so. To request extra time to pay your tax due to the implications incurred by COVID-19 [complete this form](#).

Review of ITIS Effective Rate

Revenue Jersey will only review an ITIS rate if income has significantly reduced as a result of COVID-19, or a spouse or partner has either lost their job or incurred a significant reduction in their income.

If an ITIS rate is reduced as a result of the above, it is possible that tax obligations will be underpaid.

To request an emergency review of your ITIS effective rate, [email Revenue Jersey](#) using 'Emergency ITIS Rate Review' as your subject header.

One must also include in the email the following:

- Full name
- TIN or tax reference
- an explanation of your circumstances

Tax Arrears

If you foresee you or your business being unable to pay your tax obligations, please contact the Treasury and Exchequer Debt Management Team (call 01534 440088) at your earliest opportunity to agree a payment arrangement.

Filing tax returns

Taxpayers are encouraged to continue to file returns on time where possible, to allow the Government to maintain up to date information on tax liabilities.

These returns include:

- GST returns
- ITIS (employer and sub-contractor) returns
- Corporate tax returns
- Personal Income Tax returns

Appeals should also be lodged online.

In only grave and exceptional circumstances will the Revenue Jersey provide discretion to the late filing of GST and ITIS returns.

Jersey resident and non-resident individuals are still required to submit their personal income tax returns by no later than 31 July 2020. Equally, Jersey resident and non-resident corporates are obliged to submit their Jersey company tax returns by no later than 31 December 2020.

If you are unable to submit your returns on time, you can request extra time to file your return by [completing this form](#).



Other Support

Overdraft, loans and credit facilities may be available

Some Banks are offering special COVID-19 support to their personal and business customers, including mortgage payment breaks, extended overdrafts, low rate loans and other banking facilities.

Contact your local branch to find out what credit facilities are available to you during this period.

Business Disruption Loan Guarantee Scheme

With the support of the Government, Banks are offering loans that are guaranteed by the Government. To access this funding, you should make an application to your Bank who can advise you on what is available to you based on your own individual circumstances and credit history.

£50 million of new lending capacity has been created from 30 March 2020 through this Scheme, £40 million of which is guaranteed by Government. The Scheme went live as at 1 April 2020.

Loans or overdrafts are available under this Scheme to qualifying businesses that are required to close or reduce their services due to the measures introduced to manage the spread of coronavirus in Jersey. The loans are intended to help qualifying businesses to manage short-term cash flow constraints through the crisis.

The Scheme is intended to support otherwise viable businesses where their Bank cannot provide credit, in line with their commercial appetite. The Scheme will allow banks to extend financing to smaller businesses that are viable, but unable to obtain finance under the lender's normal credit approval prerequisites.

Qualifying businesses can apply to banks through the Scheme to borrow between £5,000 and £500,000. This will be agreed

between businesses and their Bank, who may be able to lend more outside of the Scheme.

Businesses with turnover of less than £10 million can qualify for the Scheme, provided they do not operate in one or more of the following industries:

- Finance and professional services
- Real Estate
- Property development
- Public Sector
- Utilities
- Agriculture and Fishing

Jersey COVID-19 Special Situations Fund

This £50 million Scheme is open for applications from qualifying businesses which deliver a public good or serve an essential strategic purpose for Jersey.

Applications will be considered by a panel of senior Government officials and independent specialists based on defined criteria including:

- demonstration that the business provides an important public good, or is strategically important to Jersey
- demonstration that the measures introduced to manage the spread of coronavirus have been detrimental to the business
- a viable and time bound recovery plan for the business and exit strategy for the Government

Support may be provided under the Scheme in the form of grants, loans or equity positions.



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