



Key facts around the Government support packages for businesses

Below we have listed the key facts and figures you need to know on the current situation concerning CBILS, Furlough, the Job Support Scheme and Deferred VAT.

Government Backed Loans (CBILS)

- Deadline for submissions is now 30th November and the facility needs to be underwritten by 31st December for both assets and loans.
- You will have one month to drawdown loan funding (i.e. until the end of January 2021) and six months to drawdown asset finance (i.e. June 2021) subject to individual funder discretion.
- You cannot have a Bounce Back Loan (BBL) and CBILS (asset or loans) but you can refinance a BBL with a CBILS loan.
- The maximum loan term is still six years with varying repayment profiles across lenders.
- HMG has extended the guarantee to 10 years

to account for any forbearance requests / extensions requested on existing loan facilities, not for new loans.

- Some funders have used CBILS facilities to assist MBO / MBI and refinancing transactions.

Furlough

- In October, the government is paying 60% of wages up to a cap of £1,875 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for the time they are furloughed.
- The Furlough scheme will finish on 31st October and will be replaced by the Job Support Scheme.

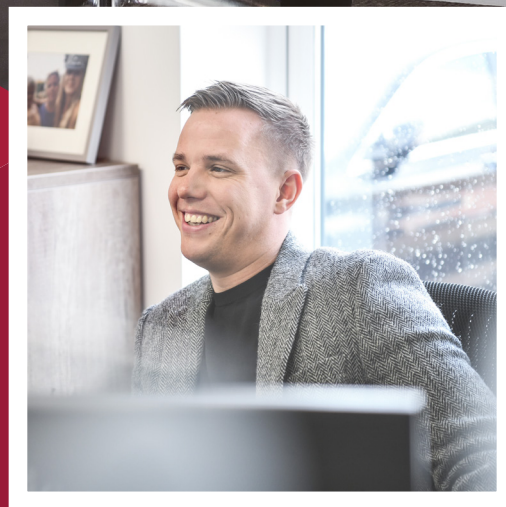


Job Support Scheme

- Replaces Furlough for six months.
- Employers facing decreased demand (JSS Open)
 - Employees must work at least 20% of their usual hours to be eligible for the scheme, with the cost of those working hours being met in full by the employer. The employee would then be paid two-thirds of any hours when they are laid off, shared by the employer and HMRC.
 - Employees will continue to receive at least 73% of their normal wages, where they earn £3,125 a month or less.
- Employers who are legally required to close their premises (JSS Closed)
 - Employees who cannot work due to restrictions will receive two thirds of their normal pay, paid by their employer and fully funded by the Government, to a maximum of £2,083.33 per month, although their employer can top this up if they wish.

Deferred VAT

- On 24 September 2020, the Chancellor announced that businesses who deferred VAT due from 20 March to 30 June 2020 will now have the option to pay in smaller payments over a longer period.
- Instead of paying the full amount by the end of March 2021, you can make smaller payments up to the end of March 2022, interest free.
- You will need to opt-in to the scheme, and for those who do, this means that your VAT liabilities due between March 2020 and 30 June 2020 do not need to be paid in full until the end of March 2022.
- Those that can pay their deferred VAT can do so by 31 March 2021.



If you would like to discuss how we can assist you with any business funding in these turbulent times, then contact PMD's Director, Tom Brown.

