

## **New economic interventions**

Chancellor Rishi Sunak stated that the economic intervention he announced this evening is 'unprecedented' but necessary to save lives. The combination of measures announced will protect jobs, provide support for the unemployed and create a safety net for the self-employed.

In order to protect jobs, the Chancellor announced that the Government will step in to pay the wages of millions of employees across the UK through a Coronavirus Job Retention Scheme. Through the scheme any employer in the country, no matter on size of business, will be able to apply for a grant through HMRC to pay up to 80% of the wages for employees not working but which have been retained on payroll rather than being laid off.

This grant covers the cost of 80% of the salary of workers up to the total of £2,500 per month with employers able to top up salaries should they choose to. The Coronavirus Job Retention Scheme will be backdated to cover wages from March 1st and be open initially for the next three months before being reviewed. The Chancellor went on to say that the first grants would be available in weeks and completed by the end of April.

## **Support for the Self-Employed**

The Chancellor announced that the minimum income floor for those self-employed would be removed allowing self-employed individuals to access Universal Credit at the same rate of Statutory Sick Pay. He also announced that self-assessment payments have been deferred until January 2021.

## **Coronavirus Business Interruption Loan Scheme (CBILS)**

The Chancellor announced that the Coronavirus Business Interruption Loan Scheme would now be interest free for 12 months, a 6 month increase from the first announcement of this scheme. Loans would also be available from Monday 23rd March.

## **Changes to the Welfare System**

The Chancellor announced that Universal Credit standard allowance and Working Tax Credits would both be increased by £1000 for the next 12 months. The Government announced an additional £1 billion worth of support for those in rented accommodation by increasing the Local Housing Allowance to cover at least 30% of market rents in their specific areas.

## **VAT Payments**

The Chancellor announced that the Government was deferring the next quarter of VAT payments, meaning that no business will pay no VAT until June and have until the end of the financial year to repay VAT.