

COVID-19

Coronavirus briefing, helpful advice and tips – 14 January 2022



The government is providing additional economic support to help businesses most affected by the rise in coronavirus cases (which has reportedly been driven mainly by the Omicron variant).

Extra help includes:

- Covering the cost of Statutory Sick Pay for coronavirus-related absences for small and medium-sized employers across the UK.
- One-off grants of up to £6,000 per premises for hard-hit businesses in the hospitality, leisure and accommodation sectors in England. Over £100 million of discretionary funding will be made available for local authorities to support other businesses.
- £30 million further funding will be made available through the Culture Recovery Fund, enabling more cultural organisations in England to apply for support during the winter.

Statutory Sick Pay Rebate Scheme

If you are an employer with less than 250 employees and you have paid Statutory Sick Pay (SSP) for absences linked to coronavirus-related sickness or self-isolation, you could be eligible for support.

You could receive repayments at the relevant standard rate of SSP that you paid to either current or former employees for any eligible periods of sickness starting on or after 21 December 2021.

You can reclaim the costs for up to two weeks of SSP for an employee who takes time off because of coronavirus, regardless of whether you claimed for that employee under the previous scheme.

How to claim

You will be able to make claims retrospectively from mid-January. We await full guidance, including eligibility and how to make a claim, from the government. This will be published on GOV.UK in due course. In the meantime, you can find out more information by searching for 'COVID-19 economic support package' at GOV.UK.

Hospitality, Leisure and Accommodation sectors

Firms in the Hospitality, Leisure and Accommodation sectors will be able to apply for one-off grants of up to £6,000 per premises. The amount you can claim will depend on rateable value, as follows:

- Businesses with a rateable value of £51,000 or above: £6,000.
- Businesses with a rateable value between £15,000 and £51,000: £4,000.
- Businesses with a rateable value of £15,000 or below: £2,667.

How to claim

Businesses must apply to their council for grant funding, which will be administered over the coming weeks. [Find your local authority on GOV.UK.](#)

Who is eligible for these grants?

Businesses eligible for grants are those that offer in-person services, where the main service and activity takes place in a fixed rate-paying premises, in the Hospitality, Leisure and Accommodation sectors. The government gives the following examples of businesses that would fit the criteria:

- Businesses whose main function is providing a venue for the consumption and sale of food and drink.
- Those that provide facilities linked to recreation and entertainment.
- Businesses whose main premise is used for holiday accommodation.

Other businesses impacted by restrictions

The government is allocating over £100 million to the Additional Restrictions Grant (ARG) fund for local authorities to distribute in England. The additional funding is the third top-up to the ARG scheme.

How to claim

Local authorities will have discretion to allocate grants to businesses most in need but they include those that supply the Hospitality and Leisure sectors, as well as Personal Care services.

Further information is on the government website and available [in the published factsheets.](#)

Cultural organisations

£30 million funding will be made available through the Culture Recovery Fund, enabling more cultural organisations in England to apply for support during the winter. [See details on the government website.](#)

Extra time to file and pay Self-Assessment tax

Owing to COVID-19, HMRC has waived late payment penalties for one month – giving you extra time, if you need it, to pay Self-Assessment tax due. There is also no late filing penalty for filing your tax return after the 31 January deadline, as long as you do so by 28 February (see below).

Pay Self-Assessment tax due

To be clear, the payment deadline for Self-Assessment is still 31 January and interest will be charged from 1 February on any amounts left outstanding. The late payment interest rate from 4 January 2022 is 2.75%.

However, while *interest* will be charged still from 1 February on any overdue liabilities, you will not be charged the 5% *late payment penalty* if you pay your tax in full or make a Time to Pay arrangement **by midnight on 1 April**.

This additional time to pay will operate in the same way as the equivalent waivers last year.

You can pay your tax bill or set up a Time to Pay monthly payment plan online at GOV.UK by going to your Self-Assessment online account.

Filing your Self-Assessment tax return

If you haven't **filed** your tax return for the tax year 2020 – 2021 yet (the deadline is 31 January for online submissions), HMRC has also announced that it will not charge late filing penalties for those who file online by 28 February 2022.

For returns filed after 28 February the late filing penalties (daily penalties from 3 months, 6 and 12 months) will operate as usual.

Time to Pay option

While HMRC is encouraging customers to file and pay on time if they can, customers facing financial difficulties who can't pay in full by 31 January 2022 may be able to set up an affordable payment -Time to Pay - plan.

Again, to clarify, under HMRC's Time to Pay rules, there is no change to the filing deadline or payment deadline of 31 January and other obligations are not affected. This means that a return received online or paid after 31 January will be treated as late and interest will be charged as above.

However, you can use the Time to Pay option to set up a payment plan to pay off what you owe in instalments and *avoid a late payment penalty* as long as you have the arrangement in place by midnight on 1 April. If you owe less than £30,000, you may be able to do this online without speaking to HMRC. Go to GOV.UK and search 'HMRC payment plan'.

A 5% late payment penalty will be charged if tax remains outstanding, and a payment plan has not been set up, by midnight on 1 April 2022. Further late payment penalties will be charged at the usual 6 and 12 month points (August 2022 and February 2023 respectively) on tax outstanding where a payment plan has not been set up.

Notes on specific circumstances

HMRC will not charge late filing penalties for SA700s and SA970s received in February – these returns can only be filed on paper.

For SA800s and SA900s, HMRC will not charge a late filing penalty if you file online by the end of February – the deadline for filing SA800s and SA900s on paper was 31 October. People who file late on paper will be charged a late filing penalty in the normal way. You can appeal against this penalty if you have a reasonable excuse for filing your paper return late.

Self-employed people who need to claim certain contributory benefits soon after 31 January 2022 should ensure their annual Class 2 National Insurance contributions (NICs) are paid on time. This is to avoid your claims being affected. Class 2 NICs are included in the 2020 to 2021 balancing payment that is due to be paid by 31 January 2022. Benefit entitlements may be affected if you:

- Can't pay your balancing payment by 31 January 2022, and
- Have entered into a Time to Pay arrangement to pay off the balancing payment and other self-assessment tax liabilities through instalments.

You can contact HMRC on 0300 200 3822 for help on your specific situation or advice if you're struggling to pay Self-Assessment tax.

At Wise & Co we can offer you our extensive experience and knowledge in all areas of taxation and financial services – [please contact us](#) for a chat.