



BUDGET 2020

UPDATE 12TH MARCH 2020

BUDGET 2020: WHAT DOES IT MEAN FOR MY BUSINESS?

I was surprised by quite how much the Chancellor managed to pack into his Budget this afternoon - and how much of it was aimed at the businesses that we work with here at Panthera. There's still a lot of reading around the details for us to do and we'll be busy in the office over the next few days getting clarity on how some of the announcements will work in practice, but for the moment the headlines that I want to make sure you know about are:

Business Rate Relief

Small businesses eligible for Small Business Rates Relief will also be eligible for a £3,000 cash grant. If you're in a larger premises that has a rateable value below £50,000, and are in leisure or retail, you will also receive a full rebate on rates for the 2020/21 year.

Employment Allowance

Increase in the Employment Allowance to £4,000 - this means employers don't have to pay the first £4,000 of Employers' NICs, bringing down the cost of staffing in your business.

National Insurance Thresholds

Increase in the National Insurance Thresholds to £9,500 from April for employees and the self-employed (but no mention of the employers' thresholds).

Entrepreneurs' Relief (CGT)

Reform of Entrepreneurs' Relief - we expected this to be taken away completely but instead the lifetime limit has been reduced from £10m to £1m of lifetime gains. If you're thinking about selling your business then speak to us about how this will impact on your plans

Time to Pay with HMRC

in response to Coronavirus and the difficulties that businesses may experience with administration and cashflow, there should be a more sympathetic ear at HMRC to requests for time to pay. If you're feeling the impact of Coronavirus in your business then talk to us about how a time to pay agreement could help you get through this difficult trading period.

PANTHERA
ACCOUNTING

BUDGET HIGHLIGHTS FOR SMES

Small Business Rate Relief extension, and £3k grant

SSP costs covered by HMRC for 14 days

Increase in NI thresholds to £9,500

Employment Allowance increased to £4,000

BUDGET 2020

Coronavirus Business Interruption Loan Scheme

The government will provide lenders with a guarantee of 80% on each loan, and I expect to see this make borrowing easier for businesses who can show a good business model to support the lending if it were not for the specific difficulties that the current situation with coronavirus brings to their business. For those of you who have already reached out to us to discuss impact on trade (especially retail and leisure), this may be a helpful route for you to explore.

Help with Sick Pay

SSP will now be payable from day 1 of sickness and available to those advised to self-isolate, with no requirement for a sick note from the doctor. To help businesses with fewer than 250 employees, HMRC will cover the cost of this for the first 14 days. There is no current mechanism for paying back SSP so HMRC will be putting this in place over the next weeks and months.

Cost of Working from Home

The flat rate deduction for homeworking has been increased from £4 per week to £6 per week to cover household expenses - this can be applied to employees and the self-employed. (If we do your tax return and accounts we'll be claiming this for you automatically)

Pension contributions

The tapered annual allowance for pensions threshold is raised by £90,000 so that individuals with income up to £200k are no longer affected by the taper. The lifetime allowance for pensions is increased to £1,073,100. This is a good reason to speak with your IFA about saving for the future.

Electric Vehicles

Electric vehicles are already exempt from standard VED (road tax) and benefit-in-kind tax, but this budget also announces the scrapping of the VED "expensive car supplement" for electric vehicles. Along with the £500m investment into the charging network, there is a strong tax-efficient argument for switching company cars to electric.

PANTHERA
ACCOUNTING

**LIVE
BUDGET Q&A**

Tuesday 17th March 12:30pm

Facebook Live
hosted by Tory Wagg on the
Panthera Accounting page

Send questions in advance via
Facebook or LinkedIn