



KELLANDS

CHARTERED FINANCIAL PLANNERS

Coronavirus measures to protect the nation's finance

The Government has drafted emergency legislation to help our personal finances during the coronavirus crisis.

The spread of coronavirus in the UK and across the world could have a real impact on many people's finances.

Those at particular risk are people who are self-employed, own small businesses or are on zero-hour contracts. However, as all businesses (regardless of size) struggle, many more individuals will be at risk of loss of income – even those who aren't in the most at risk groups.

The proposals are evolving all the time, however we've summarised the biggest changes so far below. If you need urgent advice, please call **Citizens Advice** on 0344 411 1444.



Homeowners with mortgages

If you're struggling to meet mortgage payments because your income has been disrupted, you can contact your lender and ask for a three-month mortgage payment holiday. This also applies to landlords with buy-to-let mortgages whose tenants are struggling to pay their rent.

Renters

The Government is passing legislation that prevents landlords evicting tenants who can't pay their rent as a result of a drop in their income for at least a three-month period.

Individuals struggling to repay personal debt

Lenders are to give people struggling to repay credit cards and loans a temporary payment freeze for three months, according to temporary emergency proposals laid out by the Financial Conduct Authority (FCA). The FCA has also stated that the first £500 of any arranged overdraft should be interest-free. If you're struggling to meet repayments, contact your lender – they're required by law to offer you help.

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Self-employed workers

The Government has offered self-employed people, with profits of less than £50,000 a year, grants for up to 80% of those profits (up to £2,500 a year). The level of the grant will be based on an average of profits from the last three years, based on evidence from tax returns. It will be available from early June. Those who own companies and pay themselves through dividends will not be eligible for these grants, but may be eligible for other support.

The support is only available to those who have filed tax returns, so the newly self-employed (since April 2019) will not be eligible, but can claim Universal Credit (UC) if their income is affected. The Government has also made it easier to claim Employment and Support Allowance (ESA) and UC, at a rate of £95.85 a week (equivalent to Statutory Sick Pay for the 2020/21 tax year), and the self-employed can defer self-assessment tax payments until January 2021.

Workers who are sick and need to claim Statutory Sick Pay

This can now be claimed from day one of an illness, not day four, as was the case before the coronavirus outbreak. SSP is £95.85 a week in the 2020/21 tax year and you can make a claim at GOV.UK.



Small business owners

The Government announced a £330 billion support package for businesses. Depending on the size of your business and the sector you're in, there are loans available. Businesses that are eligible for small business rate relief or rural rate relief could also be eligible for a government grant worth up to £10,000.

In addition, the Government has introduced business interruption loans, provided by the British Business Bank. You can check what's on offer as well as eligibility criteria on the British Business Bank website or GOV.UK.

Working parents

All schools and nurseries are now closed indefinitely, presenting a problem for millions of parents who can no longer work in the usual way and look after children. Key workers and the parents of vulnerable children can still take their children to school. This presents childcare cost challenges for parents, or the prospect of not being able to work at all while schools remain closed.

While all parents are entitled to parental leave to look after children for a few weeks, this is usually unpaid. The Government may change the parental leave pay entitlement to support parents through the coming weeks. It's expected that companies will review their pay policies and do what they can to help – though the level of help will vary depending on each company's situation.

Holidaymakers and travellers

The current advice is to avoid foreign travel anywhere for at least 30 days. This means travel insurance for trips abroad should kick in and you'll be eligible for a claim. If you're self-isolating and have to cancel a booking, your existing travel insurance may cover you. It's unlikely that you'll be able to purchase a new travel insurance policy for an upcoming trip, but can still claim on existing policies. If you know you need to cancel a trip, contact the accommodation provider as soon as possible, who may be happy to rearrange this for you. The Association of British Travel Agents (ABTA) has the latest guidance on how to claim refunds for travel.

Pre-payment energy customers

Those who may not be able to add credit to their meters can speak to their supplier about maintaining supply. Options could include credit top-ups or being sent a pre-loaded card.

Other support

Mobile operators have removed data charges for those calling NHS 111.

A number of TV and broadband companies have been making some paid-for services free for families stuck indoors.

There may be further benefits you're entitled to. If you've never claimed benefits before, check what might trigger an entitlement at [GOV.UK](https://www.gov.uk).

Please note that this article was last updated on 3 April 2020. Any information quoted was accurate on this date.

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