

Coronavirus Advice for Business – 5 November 2020

HELP FOR DIRECTORS OF LIMITED COMPANIES

The Self Employment Income Support Scheme does not include directors of limited companies. If the company is not trading and has been 'mothballed' during lockdown, directors are able to furlough themselves under the Job Retention Scheme, for the PAYE element of their earnings only, if they only carry out activities which would 'reasonably be judged necessary' for the purpose of fulfilling statutory duties. (Please see the other links for more details about furloughing under the Job Retention Scheme).

However, this would not fully assist owner/directors of Limited Companies who may also receive their income by way of dividends.

There is still the support available offered through the benefits system.

Both Universal Credit standard allowance and Working Tax Credit basic elements will be increased by £1,000 a year for the next 12 months. To ensure that the Self Employed benefit the minimum income floor (MIF) has also been removed. The MIF is a measure that assumes that Self Employed workers earn a certain level of income. By eliminating this, it opens more benefits to people who are Self Employed "at a rate equivalent to Statutory Sick Pay for employees" according to the Chancellor.

In summary it still feels like Company Directors are not being supported as well as others in the economy, but we will provide updates if that changes.