

For all help and support enquiries please email: business.support@gov.gg or call **743803**.
Lines are open Monday to Friday, 9.00am to 5.00pm

Coronavirus ('COVID 19') Business Support:

Following the Bailiwicks move into Recovery Stage 3 on March 22nd 2021, but Business Support scheme has been scaled back in recognition that most of the islands on-island economy is able to trade at normal or near normal levels.

Summary of support provisions from April 1st 2021

- Travel and Tourism related business continue to be eligible for Business Support due to the border restrictions until September 30th, 2021.
- The Visitor Accommodation Support Scheme and the Tourist Attraction Support Scheme are a separate schemes and will continue to support the industry where needed until March 2022.
- Registration is now closed for the Business Support scheme.

Details support provisions from 1st April 2021

- The level of support provided will be based on the impact on turnover of the businesses.
- Businesses that are trading at less than 40% turnover for the same month in 2019 will receive 100% payroll support, for the minimum wage to a maximum of 42 hours per week per employee, including the self-employed and sole traders.
- Businesses that are trading with a turnover of between 40% and 70% for the same month in 2019 will receive 80% co-funding payroll support, based on the minimum wage to a maximum of 42 hours per week per employee, including self-employed and sole traders.
- Businesses that are trading with a turnover above 70% will not be supported.
- Support is paid monthly in arrears.
- Application criteria and rules apply.

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Summary of business support provisions from Recovery Stage 3 in the Lockdown Framework 2021

Following the Bailiwick's move into Recovery Stage 3, Business Support from April 1st 2021 will only support industry sectors related to Travel and Tourism.

	Business area's eligible for support from 1 st April 2021
Event management and Event services	Supported under Travel restriction related support arrangements
Hospitality - Accommodation	Supported under Visitor Accommodation scheme
Passenger transport and travel	Supported under Travel restriction related support arrangements.
Taxi Operators	Taxi Operator support is capped at 80% of the Minimum Wage. Reduced to 50% from June 1 st 2021
Pet Accommodation services	Supported under Travel restriction related support arrangements
Rental and leasing of cars and recreational goods	Supported under Travel restriction related support arrangements
Tourist Attractions	Supported under Tourist Attraction scheme <u>or</u> Travel restriction related support arrangements

Travel and Tourism related businesses within eligible sectors will continue to be supported until September 30th, 2021. To qualify as a Tourism related business, the businesses should normally generate 50% of their income from visitors.

From June 1st, Support levels for Taxi operators will be capped at 50% of the minimum wage for a maximum of 42 hours per week.

Businesses that had claims related to the travel restrictions rejected during 2020 will be assessed in the same manner and are therefore very unlikely to be supported beyond March 22nd, 2021.

Support level will be based on the businesses turnover figure for the month of application in 2021 compared to the same month in 2019.

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Exceptional claims for support will be considered for businesses not directly qualifying where there is a strong justification and a risk of the business being unable to continue trading.

Payroll Co-Funding Scheme

Financial support to help you retain your staff

We recognise that your staff are a critical part of your business and that you will want to do all you can to retain your team. Retaining your staff will enable you to recommence your business once the current restrictions are eased or removed.

In order to help you achieve this, the States of Guernsey will provide the following support:

- We will help you cover the cost of your employees with a reimbursement of an amount equivalent to 80% or 100%, dependent on your trading performance, of Guernsey's minimum wage. This is currently set at £8.70 per hour (£8.25 for 16- and 17-year olds). For example, for a 35-hour week this figure would equate to a gross figure of £304. The States of Guernsey will meet 80% of this figure, if your turnover is between 40-70% of your usual turnover for the same period in 2019 (i.e. £244 per week based on a 35 hour week) or 100% if turnover is less than 40% of your usual turnover. Employers must pay 100% of the minimum wage to the employees prior to claiming the relevant level of reimbursement. Employers are encouraged to 'top-up' these amounts further if they are able to do so.
- You may not claim for more than 42 hours in a single week.

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Eligible businesses To be eligible for support:

- Businesses must be affected by the loss of income due to the impacts of Covid related restrictions
- Businesses must work within an eligible economic sector (see below)
- Businesses will be required to provide their turnover compared to the equivalent period in 2019. If a business was not trading in 2019, then it should use 2020 figures. Borderline cases will be reviewed for eligibility
- Businesses can claim in respect of anyone that was employed as of 23 January 2021.
- Businesses (including sole traders) must have been registered with the Revenue Service for social insurance by 31 December 2020 and have either submitted returns as an employer for quarter 4 of 2020 or in respect of a sole trader, paid class 2 contributions (or set up a direct debit to pay these), or for persons over pensionable age who are considered to be self-employed, paid class 3 contributions (or set up a direct debit to pay these) from 2020 or earlier
- Business is run full-time, and if you are self-employed be your main source of income – if your profits from the business are less than the social insurance lower earnings limit of £7,488 for 2020, this will not be considered a full-time business or your primary source of income. Where the business is making a loss, the same will apply.

Support will be calculated based on the normal contractual hours worked by your employee(s) up to a maximum of 42 hours per week.

Eligible Sectors

Eligible sectors are:

- Event management and Event services
- Hospitality - Accommodation
- Passenger transport and travel
- Pet Accommodation services
- Rental and leasing of cars and recreational goods
- Taxi Drivers
- Tourist Attractions

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Self Employed (Sole Traders)

Self-employed individuals (whether operating through a company or as a sole trader) are eligible to claim through the Payroll Co-Funding Scheme. These individuals may apply for payroll funding and will be subject to the same eligibility criteria as set out above.

Self-employed business owners must provide the following:

- If a self-employed person is on the payroll of their company, then a copy of the payroll should be submitted with the claim.
- If a self-employed person draws their income from the business, or a sole trader does not have a payroll set-up, then they should submit a claim up to a maximum of their usual level of income. Applicants are asked to note that there is a cap of 42 hours payment on the amount that the States will reimburse, up to a maximum sum of £365 per week. This is calculated as £8.70 x 42 x 100%.

Payroll funding for self-employed business owners

If you are self-employed, it will not be necessary to register as an employer and generate payslips or submit quarterly ETI returns in order to be eligible to claim.

Employers should continue to operate the ETI scheme on all payments made to their employees including monies paid under the co-funding scheme, deducting tax and social security employee contributions and remitting this as normal.

The amounts paid to the employer or sole trader will be treated as business receipt and will be taxable. The full wages paid in respect of employees will be an allowable expense.

Compliance checking

In order to ensure that claims are valid, compliance checks will be carried out on these claims based on social security contributions and income tax data.

Tax returns

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The amounts paid to the employer or sole trader will be treated as a business receipt and will be taxable. The full wages paid in respect of employees will be an allowable expense.

Publication of details of Payroll Support Scheme claimants

To ensure transparency of ongoing payroll co-funding, the Policy and Resources Committee retains the right to publish summarised and anonymised information on Business Support payments made from public funds put in place as a result of the COVID-19 pandemic.

Requirement to make a claim and recovery of claims received

Businesses that have sufficient resources to cope with a short period of lockdown are asked to consider carefully if they really have a need for this support.

Reporting of potential fraudulent claims

If members of the public are aware of businesses or individuals making a potential fraudulent claim under the business support measures, these can be reported using the following contact details:

Hotline number - 732434

Email address – fraudhotline@ssd.gov.gg

Applying for payroll support

You will be able to apply for payroll support on a monthly basis for reimbursement of your payroll one month in arrears.

Business Support Sectors	Capped Number of Hours Support for April 2021	Capped Number of Hours Support for May 2021	Capped Number of Hours Support for June 2021
Event management and Event services	184	192	184
Hospitality - Accommodation	184	192	184
Passenger transport and travel	184	192	184
Rental & leasing of cars & recreational goods	184	192	184
Taxi Operator	184	192	184
Tourist Attraction	184	192	184

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Support will only be provided to eligible businesses that have seen their turnover reduced to less than 70% of the equivalent month in 2019

You will be able to apply online here: <https://covid19.gov.gg/guidance/business/payroll-scheme>

You will need to answer a few questions to check eligibility before your claim can be processed.

Transparency and governance of funding support

Publication of businesses receiving financial support

To ensure transparency of ongoing payroll co-funding, the Policy and Resources Committee retains the right to publish summarised and anonymised information on Business Support payments made from public funds put in place as a result of the COVID-19 pandemic.

States of Guernsey payment review and reclaim mechanism

The States of Guernsey may seek to reclaim some or all of the sums claimed by businesses through these financial support measures (Co-funded Payroll Scheme and the Small Business Grant – both the 2020 and the 2021 Schemes) if it is proven that the company, sole trader or self-employed individual was not eligible for financial support during the support period.

Loan Guarantee Scheme

The States of Guernsey facilitated a loan guarantee scheme to enable further financial support for Bailiwick businesses. The scheme is operated by the clearing banks - Barclays, HSBC, Lloyds and RBSI/NatWest, however the Scheme will be open for other banks to join should they wish to. Businesses that wish to utilise the scheme should talk to their banks directly.

The Principles of the Scheme are as follows:

- The Scheme only applies to trading businesses. Businesses regulated by the Guernsey Financial Services Commission, property investment and development businesses and



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construction businesses are excluded. This is subject to a maximum turnover of £10 million.

- The Scheme only applies in respect of new lending and not any existing debt issued by the banks, including the cancellation of one form of lending and its replacement with another.
- The States Guarantee will apply in respect of 80% of the total amount provided by the banks.
- The loans and overdrafts will be for between £5,000 and £500,000.
- The Scheme is scheduled to remain open until the 30th June 2021.
- The government guarantee will remain valid for a total of 8 years, this is made up of a term of 6 years, with an additional 18 months to allow the banks to effect recovery and a further 6 months for the bank to effect a claim against the States' Guarantee if necessary.
- An individual's principal primary residence cannot be provided as security to a bank in respect of the Scheme.
- The banks may lend up to £250,000 without seeking any form of security from the borrower.
- The banks have a reporting requirement to government in respect of the number of loans issued and the amount and in respect of applications received but declined.

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