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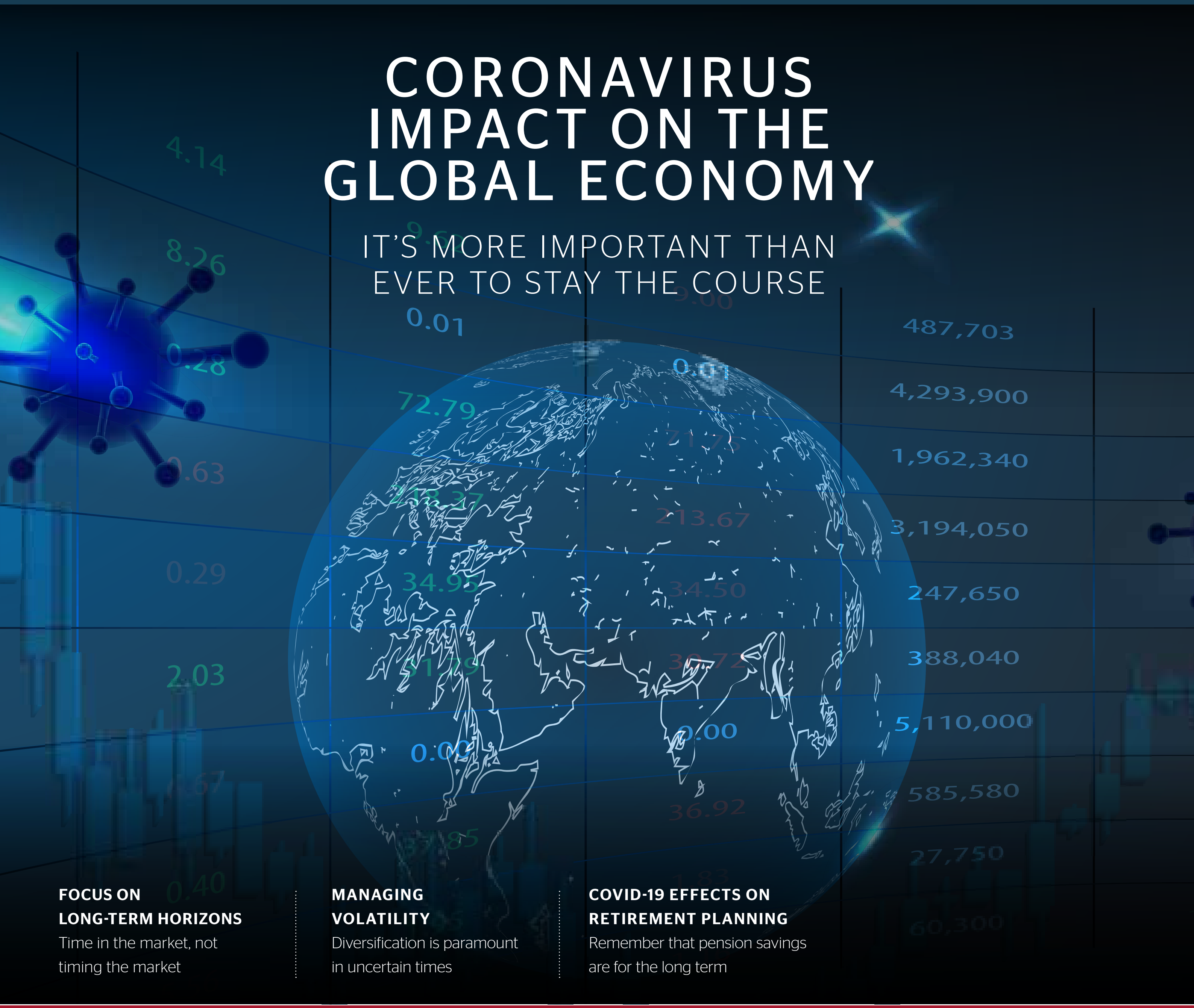

CORONAVIRUS IMPACT ON THE GLOBAL ECONOMY

IT'S MORE IMPORTANT THAN EVER TO STAY THE COURSE

FOCUS ON LONG-TERM HORIZONS
Time in the market, not timing the market

MANAGING VOLATILITY
Diversification is paramount in uncertain times

COVID-19 EFFECTS ON RETIREMENT PLANNING
Remember that pension savings are for the long term

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Westminster Wealth. Expertise. Fairly priced.

INSIDE THIS ISSUE

Welcome to our latest issue. It has been a very challenging time for many of our clients, their families, their employees and the wider business community.

During this difficult time, we hope you're staying safe. The ongoing news of the impact of the coronavirus pandemic and how it is affecting everyone is a huge concern for us all. Understandably, people are worried about the general economic outlook and their own personal finances.

The Government's actions to help businesses and households manage the short-term economic disruption, such as interest rate cuts and rescue packages, have been positively received, but the intended consequences are yet to materialise.

The Government has created new legal powers in the COVID-19 Bill, enabling it to offer whatever further financial support it thinks necessary to support businesses. On 17 March, the Chancellor, Rishi Sunak, announced an unprecedented package of government-backed and guaranteed loans to support businesses, making available an initial £330 billion of guarantees – equivalent to 15% of the country's GDP.

This was on top of a series of measures announced at Budget 2020. The Government announced £30 billion of additional support for public services, individuals and businesses experiencing financial difficulties because of COVID-19, including a new £5 billion COVID-19 Response Fund to provide any extra resources needed by the NHS and other public services to tackle the virus.

During these challenging times, there has also been an increase in the number of fraudulent scams. Individuals are at increased risk of being exposed to financial scams – including those involving phishing emails and cold calls – in an attempt to obtain personal or sensitive information. Be extra vigilant and do not respond to any correspondence which you are unsure about – letters, emails, phone calls, text messages, etc.

A full list of the articles featured in this issue appears opposite.

HARNESSING OUR EXPERTISE TO MEET YOUR NEEDS

As the COVID-19 pandemic continues, some people may fear that they will not be able to make it financially through this crisis. Inside this issue, we look at a number of areas to consider during this difficult time. If you require any further assistance, please do not hesitate to contact us.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS MAY GO DOWN AS WELL AS UP, AND YOU MAY GET BACK LESS THAN YOU INVESTED.

THE FINANCIAL CONDUCT AUTHORITY DOES NOT REGULATE TAX ADVICE, ESTATE PLANNING OR WILL WRITING.

Contents

RECLAIMING STATUTORY SICK PAY

CORONAVIRUS SUPPORT FOR BUSINESSES WHO ARE PAYING SICK PAY TO EMPLOYEES

The Government has brought forward legislation to allow small and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19.

The eligibility criteria for the scheme will be as follows:

- This refund will cover up to two weeks' SSP per eligible employee who has been off work because of COVID-19
- Employers with fewer than 250 employees will be eligible – the size of an employer will be determined by the number of people they employed as of 28 February 2020
- Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online, and those who live with someone who has symptoms can get a note from the NHS website
- Eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force
- The Government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible

ELIGIBILITY

You are eligible for the scheme if:

- Your business is UK-based
- Your business is small or medium-sized and employs fewer than 250 employees as of 28 February 2020

FOCUS ON LONG-TERM HORIZONS

TIME IN THE MARKET, NOT TIMING THE MARKET

During this difficult time, fear and worry are understandable, particularly as the coronavirus (COVID-19) outbreak led to the biggest daily drop in the FTSE 100 since the financial crisis of 1987. Trying to second-guess the impact of events such as the coronavirus or the recent stock market volatility – or even attempting to make a bet on them – rarely pays off. Instead, investors who focus on long-term horizons – at least five to ten years – have historically fared much better.

We all have different objectives in life and need different strategies to help achieve them. Sensible diversification – owning a mix of assets, including shares, bonds and alternative investments such as property – can help protect investors over the long term. When one area of a portfolio underperforms, another part should provide important protection.

RISK TOLERANCE AND TIME HORIZON

If you have a well-diversified portfolio, then it's more important than ever to stay the course. You have a strategy in place that reflects your risk tolerance and time horizon, so remain committed. This will help you navigate through periods of uncertainty when some investors are panicking or acting out of fear. Volatility is not all bad, as long as you are prepared to take advantage of the unique opportunities it brings.

In volatile markets, it is perfectly normal for investors to become nervous, question their investment approach and concentrate on the potential for short-term losses over their longer-term investment strategy. Be aware of the psychological effect this type of volatility has on you as an investor, and resist the urge to be reactive.

PROPER DIVERSIFICATION AND PERSEVERANCE

It's important to understand that this movement is not all bad for investors. Some commentators may talk about volatility as a detriment to markets and investors, but fail to discuss the opportunities that arise for investors during periods of market volatility.

No one knows how severe any market turbulence will be or what the markets will do next. It could be over quickly or become more protracted. However, no matter what lies ahead, proper diversification and perseverance over the long term are very important.

UPS AND DOWNS OF DIFFERENT TYPES OF MARKET CONDITIONS

It's likely that the coronavirus will continue to have an impact on markets over the coming months and even years. However, major events causing markets to fall, particularly in the short term, is something we've seen time and time again. And it doesn't mean that markets won't recover. History shows again and again that the ups and downs of different types of market conditions are part and parcel of investing.

The key is to remain calm when stock markets fall. At moments like this, the skills and experience of professional financial advisers come into their own. Not only do we have the experience of dealing with different types of market conditions, but we can also help to take the emotion out of your decisions. ■

LIFE'S FULL OF SURPRISES

Whatever your level of confidence, we could help you make better-informed investment decisions. If you would like to find out more or require any further information, please contact us.

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/// IT'S LIKELY THAT THE CORONAVIRUS WILL CONTINUE TO HAVE AN IMPACT ON MARKETS OVER THE COMING MONTHS AND EVEN YEARS

COVID-19 EFFECTS ON RETIREMENT PLANNING

REMEMBER THAT PENSION SAVINGS ARE FOR THE LONG TERM

The coronavirus (COVID-19) is having a widespread impact across all aspects of financial life, including retirement plans. The current global stock market turbulence, as a consequence of COVID-19, will no doubt be concerning for individuals whose pension savings are invested partly or fully during these volatile market conditions.

However, making decisions based on what's happening in the short term can be a risky thing to do. It might be tempting, for example, to move all your investments into cash or other lower-risk investments for a while – but in doing that, you might miss out on the point when the value goes back up, so you could lose out in the long term.

TIME FOR MARKETS TO RECOVER

It's really important to remember that pension savings are for the long term. If you're young and currently paying into a workplace pension, then there could be time for your pension pot to achieve growth over the long term and recover from the fluctuations currently being experienced in the stock markets. As you have many years ahead of you this should provide time for the markets to recover before you need to access your pension.

If you're older and closer to retirement, you may have seen your funds 'lifestyled'. This means your pension will have been moved into predominantly less risky funds and invested in 'safer' places such as in cash, gilts or bonds, which are lower risk and usually offer a fixed rate of return. The older you get, the more schemes tend to choose to invest in such assets to limit investment risk. However, not all pension schemes offer automatic lifestyling.

ANNUITIES

If you're about to retire and were planning to buy an annuity, in March, the Bank of England cut the base rate twice in just over a week in a further emergency response to the coronavirus pandemic, reducing it from 0.25% to 0.1%. This has meant annuity rates have also fallen. An annuity is a type of retirement income product that you buy with some or all of your pension pot. It pays a regular retirement income either for life or for a set period.

If you are thinking of securing an income by purchasing an annuity, the recent volatility shows the importance of gradually reducing the risk in your portfolio as you approach your expected annuity purchase date. Doing this provides greater certainty over the secured income you can expect to generate from your fund.

DRAWDOWN

If we continue to see a protracted period of negative investment returns, and you're already using drawdown or plan to move into drawdown soon, you might also want to avoid taking out any more than you need to while fund values remain depressed. The more you can leave invested, the more you will benefit over time should there be a recovery.

Drawdown is a way of taking money out of your pension to live on during retirement. You have to be aged 55 or over and have a defined contribution pension to access your money in this way. You keep your pension savings invested when you reach retirement and take money out of (or 'drawdown' from) your pension pot. Since your money stays invested – and it's usually in the stock market – there is the risk that your fund may fall in value. The upside is that investment growth can potentially provide higher returns and see your pot continue to increase in value.

CONTRIBUTIONS

If you are still in the process of saving for your retirement (and if appropriate), now might be a good time to consider increasing your pension contributions if you can. Even though your strategy may depend on the movement of the markets, increases in contributions over the long term can make a difference to your eventual retirement pot value, if it coincides with the market recovery.

Again, there is no need to panic – at this stage, we do not know what the long-term implications of coronavirus will be. We can help you see the bigger picture, weigh all your options, and take a balanced assessment of your risks.

STAGGERED

New research[1] has revealed how many pensioners are opting for a staggered retirement and working part-time before giving up work completely to make sure their pensions last the rest of their lives. With people living longer, and with the added prospect of health care costs in later life, retirees increasingly understand the benefits of having a larger pension pot in later life.

Of those who haven't accessed their pension pot, half (51%) say it is because they are still working, while more than a quarter (25%) of people in their 60s say it is because they want their pensions to last as long as possible.

Of course, retirees who haven't accessed their pension pot must have alternative sources of income. When asked about their income, nearly half (47%) said they take an income from cash savings, others rely on their spouse or partner's income (35%) or the State Pension (22%), while 12% rely on income from property investments. ■

PROFESSIONAL FINANCIAL ADVICE COUNTS

If you're about to retire, the amount of exposure you have will reflect both your attitude to investment risk and the time you have until retirement. Most importantly, before taking any major decisions relating to your pension, take the time to get professional financial advice.

Source data:

[1] LV= survey of more than 1,000 adults aged over 50 with defined contributions – 25 February 2020

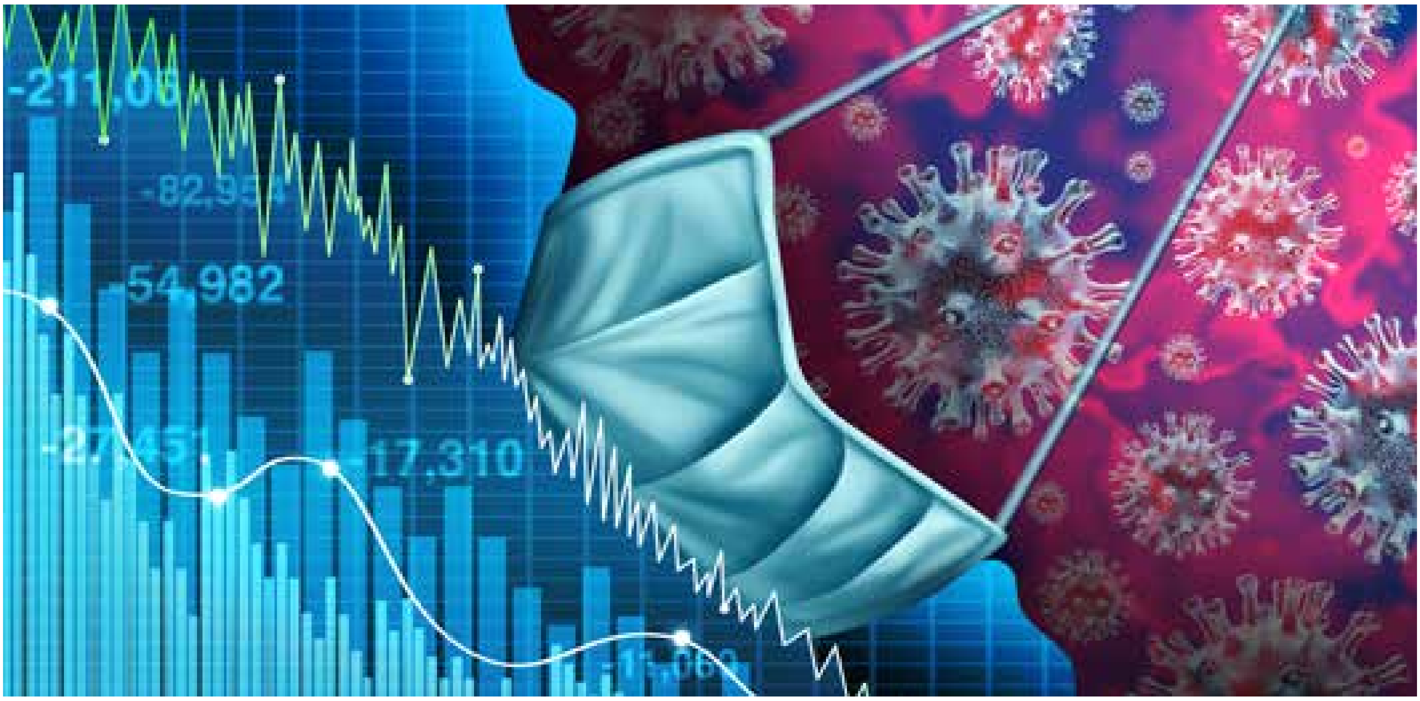
BUSINESS SUPPORT AT A GLANCE

KEY ANNOUNCEMENTS TO SUPPORT PEOPLE AND BUSINESSES

In response to the coronavirus (COVID-19) outbreak, Chancellor Rishi Sunak has set out a package of temporary, timely and targeted measures to support people and businesses through this period of disruption.

SUPPORT FOR BUSINESS INCLUDES:

- Coronavirus Job Retention Scheme
- Deferring VAT and Self-Assessment payments
- Self-employment Income Support Scheme
- Statutory Sick Pay relief package for small and medium-sized businesses (SMEs)
- 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- A new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
- The HMRC Time To Pay Scheme



CORONAVIRUS IMPACT ON THE GLOBAL ECONOMY

IT'S MORE IMPORTANT THAN EVER TO STAY THE COURSE

The coronavirus (COVID-19) outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people. It is also having a growing impact on the global economy. The markets have been extremely volatile as investors weigh the effect of the coronavirus against measures aimed at easing its economic impact. Therefore, it's hard to say how this will affect investments in the short term.

Even with events like the coronavirus and global market volatility dominating the headlines, the key is to keep calm and remember that ups and downs are a normal function of markets, and part and parcel of investing. Bear markets are a fact of any investor's life. Single-day volatility will continue to be common, and we can expect choppy markets as investors and firms react to the ongoing pandemic.

RECALIBRATING THE MARKETS' OUTLOOK

If the markets follow the pattern established over the past few months, sudden market drops have been followed by similarly acute intra-day upswings as the markets absorb the news and recalibrate their outlook.

What we've recently been experiencing is global stock market lows not seen since the 1987 market crash – and as a consequence, many hard-hit companies have laid thousands of employees off. However, it's important not to let global uncertainties affect your financial planning for the years ahead.

'PREPARE, DON'T PREDICT' APPROACH

When markets look worrying, a 'prepare, don't predict' approach can often be the best strategy. Understandably, market falls can be unnerving and make you question your investments. A few months in, it is still hard to grasp the scale and scope of COVID-19's global impact. A third of the world population has been under some sort of 'lockdown'. Over 200 countries have been affected, and the number of new cases and deaths in many places has grown exponentially. All the while, a second crisis in the form of an economic recession is underway.

The increasing concerns surrounding the coronavirus outbreak pandemic have had a significant impact on markets around the world. Overall, investors can end up selling low, buying high and, importantly, missing out on creating long-term value.

FINANCIAL PLANNING FOR THE YEARS AHEAD

Remember that the overall direction of developed stock markets is a relentless and continual rise in value over the very long term, punctuated by falls. It's important not to let global uncertainties affect your financial planning for the years ahead. Individuals who curtail their investment planning, particularly during market downturns, often miss out on opportunities to invest at lower prices.

Such volatility is less worrying if you take a longer-term view. It's important to stick to your strategy and keep moving ahead consistently by spreading risk. Volatility in stock markets understandably makes investors nervous. However, on the flipside, not all volatility is bad – without volatility, stock prices would never rise. ■

TRY TO THINK LONG TERM

Even during this pandemic crisis, our financial solutions and expertise to clients still remain the same, to actively grow and protect their wealth over the long term. If you would like to find out more or discuss your situation, please contact us.

/// OFFERS TO UNLOCK OR TRANSFER FUNDS ARE TACTICS COMMONLY USED TO DEFRAUD PEOPLE OF THEIR RETIREMENT SAVINGS

BEWARE OF PENSION FRAUDSTERS

SAFEGUARD YOUR HARD-EARNED RETIREMENT SAVINGS FROM COVID-19 SCAMMERS

Fraudsters are exploiting fears over the COVID-19 pandemic to target pension savers and investors. The Pensions Regulator, the Financial Conduct Authority (FCA) and the Money and Pensions Service have issued a joint statement urging people not to make rash pension decisions in the wake of the global pandemic, as criminals try to exploit public fears over the market turmoil to dupe victims out of their cash.

PERSUADING YOU TO TRANSFER YOUR PENSION POT

Scammers will make false claims to gain your trust – for example, claiming they are authorised by the FCA or that they don't have to be FCA-authorised because they aren't providing the advice themselves, or claiming to be acting on the behalf of the FCA or the government service Pension Wise.

Scammers also design attractive offers to persuade you to transfer your pension pot to them (or to release funds from it). It is then often invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units; or, invested in more conventional products but within an unnecessarily complex structure which hides multiple fees and high charges; or stolen outright.

FRAUDSTERS LOOK TO EXPLOIT PEOPLE'S ANXIETIES AND FEARS

Attempts to scam personal data and monies are likely to increase during the COVID-19 pandemic and economic downturn as fraudsters look to exploit people's anxieties and fears. You need to be aware of receiving emails, calls or texts from criminals impersonating investment companies, insurers, pensions providers and other organisations to trick you into providing personal or financial information or money.

Cold calls about your pension – it is illegal for firms to contact you out of the blue about your pension, and you should hang up. The caller may offer to help you access your pension before age 55, or offer you a 'free pensions review'.

Phishing emails – these attempt to trick people into opening malicious attachments or reveal personal or financial information.

Ghost brokers – fraudsters may attempt to use an insurer's branding to promote and sell fake or invalid pension or investment products which may claim to offer COVID-19 protection.

WHAT SHOULD I LOOK OUT FOR?

- Be suspicious of offers that seem too good to be true
- Do not feel pressured or agree to offers or deals on insurance, pensions or investments
- Check the credentials of the person you are dealing with by getting a name and contact details. You can check the financial service register to make sure you are dealing with a regulated company. Hang up and call them back on details you can verify
- Never give your personal details out, such as an insurance or pensions policy number or other account details
- Always use contact details on your documents provided by your insurer or pension provider
- Don't assume all online sites are genuine

DON'T LET A SCAMMER ENJOY YOUR RETIREMENT

If you're contacted out of the blue about your pension, the chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Should this happen to you, please contact us.

HOW SECURE IS THE FUTURE OF YOUR FAMILY OR BUSINESS?

PROJECTING OURSELVES INTO THE FUTURE TO SEE WHAT'S AROUND THE NEXT BEND IS NOT AN EASY THING TO DO

Given the current situation during this difficult and unsettling time with coronavirus (COVID-19), it's important to think about how secure the future of your family or business would be in the event that you were no longer around.

Understandably, we would rather not think of the time when we're no longer around, but this crisis has highlighted the importance of protecting the things that really matter – like our loved ones, home, lifestyle and business – in case the unexpected happens.

The outbreak of the coronavirus may mean you have concerns about your life insurance and whether you're covered. If you have life insurance to provide for those left behind, or to cover business loans after your death, it's important to keep paying the premiums, even if you're tempted to put it on hold to cut costs. You could lose your cover and may struggle to find the same level of cover if you start another policy later on.

FULL REPLACEMENT VALUE

For many of us, projecting ourselves into the future to see what's around the next bend is not an easy thing to do. However, without thinking, we insure our cars, homes and even our mobile phones – so it goes without saying that you should also be insured for your full replacement value to ensure that your loved ones and business are financially catered for in the event of your unexpected death. Making sure that you have the correct type and level of life insurance in place will help you to financially protect them.

Life insurance provides a safety net. Ultimately, it offers reassurance that your family and business would be protected financially should the worst happen. We never know what life has in store for us, as we've seen in recent weeks with the outbreak of COVID-19, so it's important to get the right life insurance policy. A good place to start is asking yourself three questions: What do I need to protect? How much cover do I need? How long will I need the cover for?

ASK YOURSELF

- Who are your financial dependents – your husband or wife, registered civil partner, children, brother, sister, or parents?
- What kind of financial support does your family have now?
- What kind of financial support will your family need in the future?
- What kind of costs will need to be covered, such as household bills, living expenses, mortgage payments, educational costs, debts or loans, or funeral costs?
- What amount of outstanding business loans do I have now?

FINANCIAL SAFETY NET

It may be the case that not everyone needs life insurance. However, if your spouse and children, partner or other relatives, or business depend on you to cover the mortgage, other living and lifestyle expenses, or business loans, then it will be something you should consider. Putting in place the correct level of life insurance will make sure they're taken care of financially.

That's why obtaining the right professional financial advice and knowing which products to choose – including the most suitable sum assured, premium, terms and payment provisions – is essential.

NO ONE-SIZE-FITS-ALL SOLUTION

There is no one-size-fits-all solution, and the amount of cover – as well as how long it lasts for – will vary from person to person. Even if you consider that currently you have sufficient life insurance, you may need a different level of cover later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

As you reach different stages in your life, the need for protection will inevitably change. How much life insurance you need really depends on your circumstances – for example, whether you have a mortgage, you're single or have children, or you have business loans that you are liable to pay. ■

DON'T LEAVE IT TO CHANCE

Since the outbreak of COVID-19, some insurers are restricting cover for new applicants and have introduced new questions to their application forms. This has been done in order to establish and manage the insurance risks it poses. Planning for a time when you're no longer around may seem daunting, but it doesn't have to be. Don't leave it to chance – speak to us for more information.

MANAGING VOLATILITY

DIVERSIFICATION IS PARAMOUNT IN UNCERTAIN TIMES

The outbreak of coronavirus (COVID-19) has understandably been dominating the news headlines. Market fear over the escalating global spread of coronavirus has seen a sell-off across many asset classes. This period of market stress further emphasises the importance of diversification within portfolios. Investors' objectives can rarely be met by investing in a single asset class.

Diversification means making sure your portfolio has varied investments: investing in stocks and bonds, in different industries, and in large and small companies. Whilst 'don't put all your eggs in one basket' is a well-used adage, it is still relevant today and means: don't have all your money in one place, as you could lose it all in one go.

SMOOTHER RETURN PROFILE

By holding well-diversified assets at both a geographical and asset-class level, our portfolios experience a (relatively) smoother return profile because risk exposure is less concentrated.

Investment options span every sector of the stock, bond and property markets, but allocating your assets based on performance alone is often ill-advised because the market is a moving target. One year, a particular type of security can be a star performer, only to severely underperform the very next year.

RANGE OF ASSETS

During the early weeks of the coronavirus outbreak, the response from financial markets was somewhat muted. However, as the virus has continued to spread, markets have reacted in a more pronounced way to the impact on supply chains, tourism and global demand.

This further strengthens the case to invest across several asset classes to provide greater diversification potential. Therefore, if one asset class performs favourably, it can potentially offset another that is performing less favourably, providing more balance to your portfolio when market shifts occur. Investment returns vary significantly between different investment 'baskets', or asset classes, year to year.

DIFFERENT LIFE STAGES

Different investors are at different stages in their lives. Younger investors may have a longer time horizon for their investing than older investors.

ASSET CLASSES	MAIN ADVANTAGES	MAIN RISKS
Cash	Relatively secure	May lose value if the interest rate doesn't keep up with inflation.
Bonds	Regular income	The bond issuer is sometimes unable to repay in full.
Shares	Regular income and opportunity to grow over time	Share prices can go up and down. A fall in share price will reduce the value of your investment.
Property	Stable and regular income, potential to grow over time	Property prices can fall, reducing the value of your investment. Property transactions take a long time, so your money may be tied up for longer than you want it to be.

Risk tolerance is a personal choice, but it's good to keep perspective on personal time horizons and manage risk according to when access to funds from different assets is needed. If cash is needed in the near term, it is better to sell an asset when you want to sell it rather than when you have to sell it.

Under normal market conditions, diversification is an effective way to reduce risk. If you hold just one investment and it performs badly, you could lose all of your money. If you hold a diversified portfolio with a variety of different investments, it's much less likely that all of your investments will perform badly at the same time. The profits you earn on the investments that perform well offset the losses on those that perform poorly.

MINIMISING RISK

While it cannot guarantee against losses, diversifying your portfolio effectively – holding a blend of assets to help you navigate the volatility of markets – is vital to achieving your long-term financial goals while minimising risk.

As well as investing across asset classes, you can further diversify by spreading your investments within asset classes. For instance, corporate bonds and government bonds can offer very different propositions, with the former tending to offer higher possible returns but with a higher risk of defaults, or bond repayments not being met by the issuer.

However, although you can diversify within one asset class – for instance, by holding shares (or equities) in several companies that operate in different sectors – this will fail to insulate you from systemic risks, such as international stock market volatility.

There are four main types of investment, known as 'asset classes'. Each asset class has different characteristics and advantages and disadvantages for investors.

/// UNDER NORMAL MARKET CONDITIONS, DIVERSIFICATION IS AN EFFECTIVE WAY TO REDUCE RISK. IF YOU HOLD JUST ONE INVESTMENT AND IT PERFORMS BADLY, YOU COULD LOSE ALL OF YOUR MONEY. IF YOU HOLD A DIVERSIFIED PORTFOLIO WITH A VARIETY OF DIFFERENT INVESTMENTS, IT'S MUCH LESS LIKELY THAT ALL OF YOUR INVESTMENTS WILL PERFORM BADLY AT THE SAME TIME

MARKET TIMING

'Timing' the markets seldom works in practice and can make it too easy to miss out on any gains. The golden rule to investing is allowing your investments sufficient time to achieve their potential. Warren Buffett, the American investor and philanthropist, puts it very succinctly: 'Our favourite holding period is forever.'

Over the long term, investors will experience market falls which happen periodically. Generally, the wrong thing to do when markets fall by a reasonable margin is to panic and sell out of the market – this just means you have taken the loss. It's important to remember why you're invested in the first place and make sure that rationale hasn't changed. ■

OPTIMAL BALANCE OF RISK AND RETURN

Whatever your approach to not 'putting your eggs in one basket' is, diversification can help manage your investment risk. If you would like further information or to discuss your requirements, please contact us.

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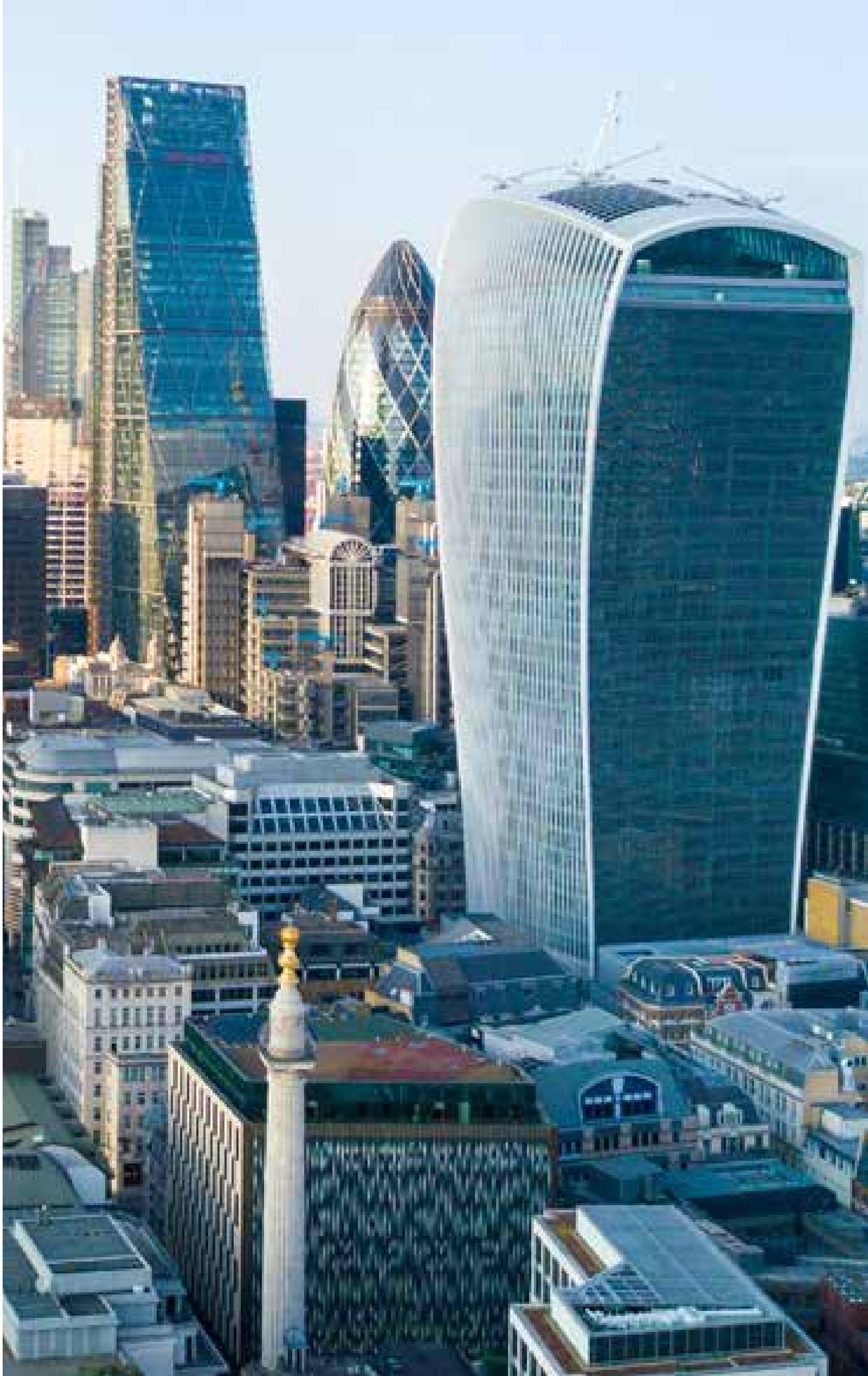


APPLYING FOR A THREE-MONTH MORTGAGE PAYMENT HOLIDAY

EASING THE STRESS SOME BORROWERS WILL BE FACING DURING THE PANDEMIC OUTBREAK

Mortgage borrowers who have been adversely affected financially by coronavirus (COVID-19) may want to consider requesting to take a mortgage payment holiday on their residential or buy-to-let mortgage for up to three months to help their financial situation. The Government's policy is aimed at easing the stress some borrowers will be facing during the pandemic outbreak.

It also provides some flexibility at a time when many workers are facing lower or no incomes. As mortgage payments are usually a household's largest outgoing, pausing payments may help to take some of the pressure off. However, an alternative some mortgage borrowers may want to consider is the option to reduce payments instead of delaying the debt.

When the three-month mortgage payment holiday policy was announced, understandably some mortgage borrowers were concerned about the effect a payment holiday would have on their credit report. The three credit reference agencies Experian, Equifax and TransUnion have now agreed to protect the scores of those affected by utilising this mortgage payment deferral option.

YOUR QUESTIONS ANSWERED

Q: WHAT IS A MORTGAGE PAYMENT HOLIDAY?

A: A mortgage payment holiday means you agree with your lender that you will not have to make contractual mortgage payments for a set amount of time. Payment holidays are designed to help you when you may experience payment difficulties – in this case, because of the coronavirus situation. Under the Government's new policy, you can apply for a payment holiday of up to three months.

It's important to remember that a mortgage holiday is a temporary break from your mortgage payments, to help you through these uncertain times. You still owe the amounts that you don't pay as a result of the payment holiday, and interest continues to be charged on the amount you owe. This means that, at the end of the payment holiday, you'll be required to make up the missed mortgage payments.

There will be various options for doing this, for example, by increasing your monthly payments slightly, or by adding a short extension to your term. Your lender will be able to explain to you what options it offers.

Q: SHOULD I APPLY FOR A MORTGAGE PAYMENT HOLIDAY?

A: The majority of the main mortgage lenders have committed to this and are offering payment holidays to borrowers who are experiencing or reasonably expect to experience payment difficulties because of coronavirus.

Some lenders may consider that another option is more appropriate for the borrower's circumstances, and where it is in their interest. This can be discussed with the lender.

You should not apply for a mortgage payment holiday if you are not experiencing or do not reasonably expect to experience payment difficulties.

Q: HOW DO I APPLY FOR A MORTGAGE PAYMENT HOLIDAY?

A: Mortgage payment holidays of up to three months are available to all homeowners who are up to date on their mortgage payments. They're also available to buy-to-let landlords whose tenants have been financially affected by the coronavirus. You can apply for a payment holiday at any time before this guidance is reviewed in three months.

Landlords who take payment holidays are expected to pass on this relief to their tenants. Homeowners who are in arrears on their mortgage should contact their lender, who will review any changes to their circumstances and discuss their options.

If you are experiencing or reasonably expect to experience payment difficulties because of circumstances related to coronavirus, for most mortgage lenders the quickest way to apply will be to complete an online form or telephone them.

Your lender will not require you to provide any documentation or undergo any affordability tests. Instead, homeowners will need to self-certify that their income has been directly or indirectly affected by the coronavirus. If you're a landlord, you'll need to self-certify that your tenant's income has been affected by the outbreak.

Due to the number of requests for payment holidays, in some instances it may take over a week to process them. Once your mortgage lender has applied the payment holiday to your account, they will write to you confirming when your payment holiday will start.

Q: WHERE CAN I FIND MY MORTGAGE ACCOUNT NUMBER?

A: Your account number can be located in a number of places, including:

- In your original mortgage offer letter
- Any mortgage payment notice from your mortgage lender
- Your annual mortgage statement

Q: SHOULD I CANCEL MY DIRECT DEBIT MANDATE?

A: No. It is only a payment holiday if it has been agreed with your lender. You should not cancel your direct debit without speaking to your mortgage lender first. Cancelling your direct debit is not a payment holiday, and these will be counted as missed payments. This could show up in your credit file and may impact your ability to remortgage at a future date.

Q: HOW WILL INTEREST ON MY MORTGAGE BE CALCULATED DURING THE PAYMENT HOLIDAY?

A: You will still be charged interest during the payment holiday, unless your lender has told you otherwise.

Interest will continue to build at your usual interest rate during the payment holiday, and the total amount of interest you pay over the term of the mortgage will increase. When your

/// WHEN THE THREE-MONTH MORTGAGE PAYMENT HOLIDAY POLICY WAS ANNOUNCED, UNDERSTANDABLY SOME MORTGAGE BORROWERS WERE CONCERNED ABOUT THE EFFECT A PAYMENT HOLIDAY WOULD HAVE ON THEIR CREDIT REPORT.

payments start again after the payment holiday, they'll be recalculated.

It's likely the mortgage lender will spread the outstanding payments over the outstanding term of your mortgage, so you will see an increase in your monthly mortgage payments. This will also result in a slightly higher mortgage balance than if you'd not taken out a mortgage holiday.

You will need to agree with your lender a manageable way to make up the missed payments given your circumstances. However, if you are still not able to make your full mortgage payments due to circumstances relating to coronavirus, then the lender may offer you a further payment holiday, or other arrangements if these are appropriate to your circumstances.

Q: WILL TAKING A PAYMENT HOLIDAY HAVE AN ADVERSE IMPACT ON MY CREDIT STATUS?
A: The Financial Conduct Authority's guidance to mortgage lenders has made it clear that they should ensure that taking a payment holiday will not have a negative impact on a borrower's credit file. Experian, Equifax and TransUnion have confirmed they will protect the scores of those affected.

Q: IF I'M BEHIND WITH MY MORTGAGE PAYMENTS, CAN I STILL APPLY FOR A PAYMENT HOLIDAY?
A: Lenders are expected to offer payment holidays to borrowers who are experiencing or reasonably expect to experience payment difficulties because of circumstances related to the coronavirus, or another option better suited to their needs and in their best interest, whether or not they are already behind on their payments.

Q: WILL LENDERS STOP REPOSSESSION ACTION DURING THIS PERIOD?
A: At this time of unprecedented uncertainty and upheaval, lenders are expected to stop repossession action. This applies to all mortgage borrowers at risk of repossession, whether or not their incomes are affected by coronavirus. Many lenders have already committed to this.

Q: ARE THERE ALTERNATIVES TO TAKING A MORTGAGE PAYMENT HOLIDAY?
A: A payment holiday is one option that a mortgage lender can offer. You don't need to undergo an affordability assessment, but if you're willing to do so, then your mortgage lender may offer you more tailored support.

Some of the options available could include:

- To move your mortgage to interest-only payments for a period
- To defer your interest payments for a period
- To extend your mortgage term (reducing your monthly payments)
- To add the deferred payments to the overall amount you owe and spread this over the remaining mortgage term

INCOME PROTECTION INSURANCE

HOW WILL YOU PAY THE BILLS IF YOU WERE SICK OR INJURED AND COULDN'T WORK?

There is a growing unease about the economic fallout of coronavirus (COVID-19), with many businesses laying off contractors and putting staff on extended leave, as well as natural worries about contacting the disease.

What this crisis has shown is that being unable to work can quickly turn our world upside down. No one likes to think that something bad will happen to them, but if you can't work due to a serious illness, how would you manage financially? Could you survive on savings or sick pay from work? If not, you may need some other way to keep paying the bills – and income protection insurance is an option to consider.

You might think this may not happen to you, and of course we hope it doesn't, but it's important to recognise that no one is immune to the risk of illness and accidents. No one can guarantee that they will not be the victim of an unfortunate accident or be diagnosed with a serious illness. This won't stop the bills arriving or the mortgage payments from being deducted from your bank account, so forgoing income protection insurance could be tempting fate.

COVER MONTHLY PAYMENTS

Income protection insurance is a long-term insurance policy that provides a monthly payment if you can't work because you're ill or injured, and typically pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner.

KEEP YOUR FINANCES HEALTHY AS YOU RECOVER FROM ILLNESS OR INJURY:

- Income protection insurance replaces part of your income if you become ill or disabled
- It pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner
- There's a waiting period before the payments start, so you generally set payments to start after your sick pay ends, or after any other insurance stops covering you. The longer you wait, the lower the monthly payments
- It covers most illnesses that leave you unable to work, either in the short or long term (depending on the type of policy and its definition of incapacity)
- You can claim as many times as you need to while the policy is in force

GENEROUS SICKNESS BENEFITS

Some people receive generous sickness benefits through their workplace, and these can extend right

up until the date upon which they had intended to retire. However, some employees with long-term health problems could find themselves having to rely on the state, which is likely to prove hard.

TAX-FREE MONTHLY INCOME

We're already seeing, as a consequence of COVID-19, how many people are finding it a struggle financially without a regular income. Even if you were ill for only a short period, you could end up using your savings to pay the bills, but how long would they last? In the event that you suffered from a serious illness, medical condition or accident, you could even find that you are never able to return to work. Few of us could cope financially if we were off work for more than six months. Income protection insurance provides a tax-free monthly income for as long as required, up to your nominated retirement age, should you be unable to work due to long-term sickness or injury.

PROFITING FROM MISFORTUNE

Income protection insurance aims to put you back to the position you were in before you were unable to work. It does not allow you to make a profit out of your misfortune. So the maximum amount of income you can replace through insurance is broadly the after-tax earnings you have lost, less an adjustment for state benefits you can claim. This is typically translated into a percentage of your salary before tax, but the actual amount will depend on the company that provides your cover.

SELF-EMPLOYMENT

If you are self-employed, then no work is also likely to mean no income. However, depending on what you do, you may have income coming in from earlier work, even if you are ill for several months. Self-employed people can take out individual policies rather than business ones, but you need to ascertain on what basis the insurer will pay out. A typical basis for payment is your pre-tax share of the gross profit, after deduction of trading expenses, in the 12 months immediately prior to the date of your incapacity. Some policies operate an average over the last three years, as they understand that self-employed people often have a fluctuating income.

COST OF COVER

The cost of your cover will depend on your occupation, age, state of health and whether or not you smoke. The 'occupation class' is used by insurers to decide whether a policyholder is able to return to work. If a policy will pay out only if a policyholder is unable to work in 'any occupation', it might not pay benefits for long – or indeed at all. The most comprehensive definitions are 'Own Occupation' or 'Suited Occupation'. 'Own Occupation' means you can make a claim if you are unable to perform your own job. However, being covered under 'Any Occupation' means that you have to be unable to perform any job, with equivalent earnings to the job you were doing before not taken into account.

YOU CAN ALSO USUALLY CHOOSE FOR YOUR COVER TO REMAIN THE SAME (LEVEL COVER) OR INCREASE IN LINE WITH INFLATION (INFLATION-LINKED COVER):

- **Level cover –** with this cover, if you made a claim, the monthly income would be fixed at the start of your plan and does not change in the future. You should remember that this means if inflation eventually starts to rise, the buying power of your monthly income payments may be reduced over time
- **Inflation-linked cover –** with this cover, if you made a claim, the monthly income would go up in line with the Retail Prices Index (RPI)

WHEN YOU TAKE OUT COVER, YOU USUALLY HAVE THE CHOICE OF:

- **Guaranteed premiums –** the premiums remain the same all the way throughout the term of your plan. If you have chosen inflation-linked cover, your premiums and cover will automatically go up each year in line with RPI
- **Reviewable premiums –** this means the premiums you pay can increase or decrease in the future. The premiums will not typically increase or decrease for the first five years of your plan, but they may do so at any time after that. If your premiums do go up or down, they will not change again for the next 12 months

MAKING A CLAIM

How long you have to wait after making a claim will depend on the waiting period. You can typically choose from between 1, 2, 3, 6, 12 or 24 months. The longer the waiting period you choose, the lower the premium for your cover will be, but you'll have to wait longer after you become unable to work before the payments from the policy are paid to you. Premiums must be paid for the entire term of the plan, including the waiting period.

INNOVATIVE NEW PRODUCTS

Depending on your circumstances, it is possible that the payments from the plan may affect any state benefits due to you. This will depend on your individual situation and what state benefits you are claiming or intending to claim. This market is subject to constant change in terms of the innovative new products that are being launched. If you are unsure whether any state benefits you are receiving will be affected, you should seek professional financial advice. ■

PROTECTING RENTERS AFFECTED BY CORONAVIRUS

NO RENTER IN EITHER SOCIAL OR PRIVATE ACCOMMODATION WILL BE FORCED OUT OF THEIR HOME

More than a fifth of UK households live in privately rented accommodation. The Government has introduced measures to protect renters affected by coronavirus (COVID-19). This radical package of measures protects renters and landlords affected by coronavirus – and with these in force, no renter in either social or private accommodation will be forced out of their home.

The Government has made £500 million available to fund households experiencing financial hardship. And as part of the workers' support package, the Chancellor, Rishi Sunak, announced the Government will pay up to 80% of a worker's wages, up to a total of £2,500 per month, where workers are placed on the Coronavirus Job Retention Scheme.

SERVING NOTICE TO END THE TENANCY

From 26 March 2020, landlords now have to give all renters three months' notice if they intend to seek possession, serving notice that they want to end the tenancy. This means the landlord can't apply to start the court process until after this period. This extended period will apply in law until 30 September 2020, and both the end point and the three-month notice period can be extended if needed.

This protection covers most tenants in the private and social rented sectors in England and Wales, and all grounds of evictions. This includes possession of tenancies in the Rent Act 1977, the Housing Act 1985, the Housing Act 1996 and the Housing Act 1988. After three months, if the tenant has not moved, a landlord needs to apply to court in order to proceed.

EVICTIONS DURING PERIOD OF NATIONAL CRISIS

Most renters in the UK are on what are known as 'assured shorthold tenancy agreements'. Assured shorthold tenants can usually be evicted at short notice. A landlord can serve a tenant with what's known as a 'section 8 eviction notice' as soon as they are eight weeks behind with rent. Normally, you will then have 14 days' notice.

A different kind of notice called a 'section 21' can also be served without giving a reason. The tenant usually has two months to leave the property, but the notice period can be longer. A landlord cannot begin either of these types of eviction until the period of national crisis ends.

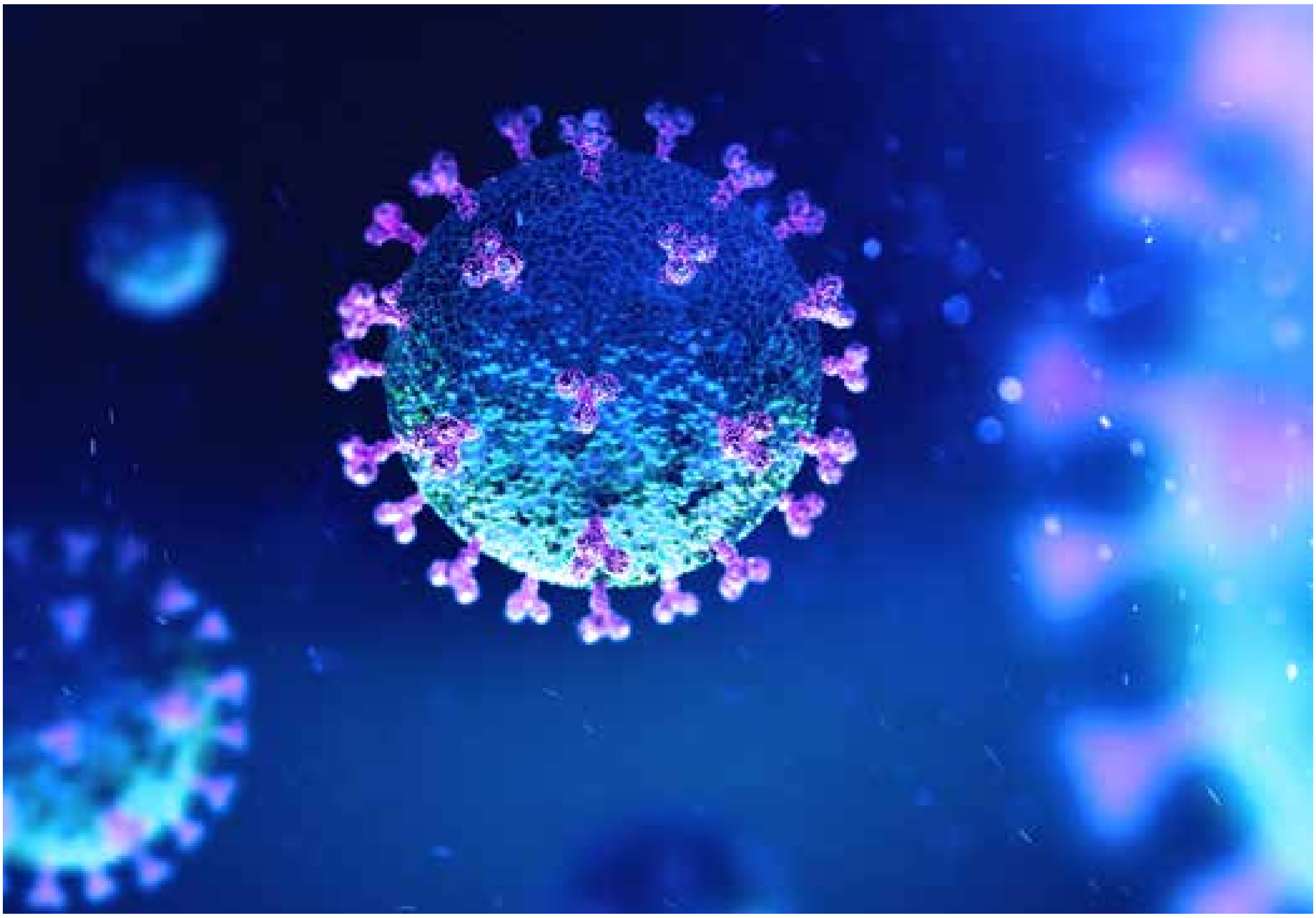
From 27 March 2020, the court service suspended all ongoing housing possession action – this means that neither cases currently in the system nor any about to go into it can progress to the stage where someone could be evicted.

This suspension of housing possessions action will initially last for 90 days, but this can be extended if needed. This measure will protect all private and social renters, as well as those with mortgages and those with licenses covered by the Protection from Eviction Act 1977. This will apply to both England and Wales.

FACING FINANCIAL HARDSHIP AND STRUGGLING TO PAY

Tenants are still liable for their rent and should pay this as usual. If you are a tenant facing financial hardship and struggling to pay this, support is available. In the first instance, you should speak to your landlord if you think you will have difficulty meeting a rental payment.

Explain the situation and ask for more time to pay, or ask to catch up any missed payments by instalments, and discuss with them an option to put in place a rent payment scheme. Don't offer to pay more than you can realistically afford, as this could make the problem worse if you can't keep up with your payments.



POSITIVE PARTNERSHIP BETWEEN TENANTS AND LANDLORDS

These government measures are aimed at alleviating the concerns of many landlords who might be worried about meeting mortgage payments, and should therefore mean no unnecessary pressure is put on their tenants. In addition, both Universal Credit and Housing Benefit increased from April, and Local Housing Allowance rates will now pay for at least 30% of market rents in each area.

To further support landlords, and to maintain the positive partnership between tenants and their landlords, the Government has agreed with lenders that they will ensure support is available where it is needed for landlords. Landlords will also be protected by a three-month mortgage payment holiday where they have a buy-to-let mortgage.

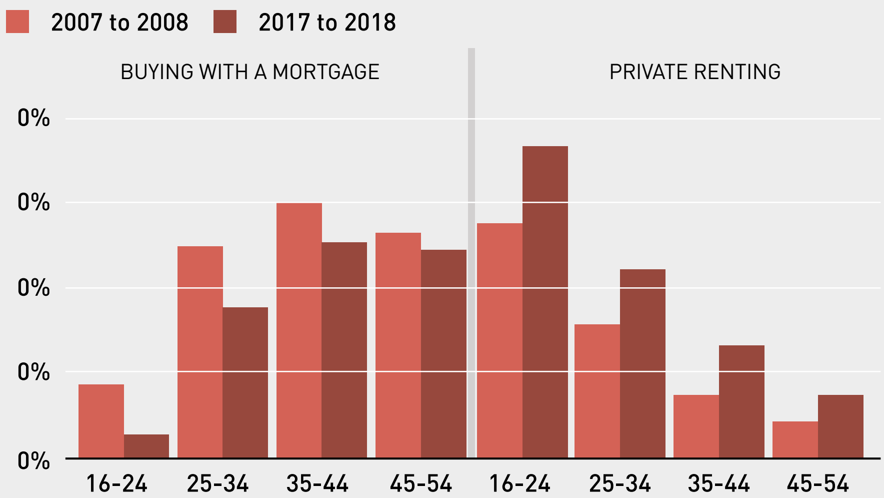
URGENT, ESSENTIAL HEALTH AND SAFETY REPAIRS TO BE MADE

During the period of uncertainty, landlords still remain legally obligated to ensure properties meet the required standard – urgent, essential health and safety repairs should be made. An agreement for non-urgent repairs to be done later should be made between tenants and landlords.

The Government is expecting landlords and tenants to work together to establish affordable repayment plans after the crisis. The measures will give tenants and landlords much greater confidence that rents can be paid through the COVID-19 crisis. ■

HOMEOWNING V PRIVATE RENTING BY AGE GROUP

POPULARITY OF RENTING RISING



Source: Department for Work and Pensions

CORONAVIRUS INVESTMENT SCAMS

IF IT SOUNDS TOO GOOD TO BE TRUE, IT PROBABLY IS

Fraudsters are getting more sophisticated, particularly with investment scams. They can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing. However, if it sounds too good to be true, it probably is.

From simple cons to elaborate schemes, attempts to prise away your hard-earned money are nothing new. Yet there are arguably more windows of opportunity for scammers today than ever, especially with the backdrop of coronavirus (COVID-19) and using this to play on the concerns of investors about their money, market performance and what they should do.

OUT OF THE BLUE

If you're contacted out of the blue about an investment opportunity, chances are it's a high-risk investment or a scam. Scammers usually cold-call, but contact can also come by email, post, word of mouth or at a seminar or exhibition. Scams are often advertised online too.

If you get cold-called, the safest thing to do is to hang up. If you get unexpected offers by email or text, it's best simply to ignore them. You can register with the Telephone Preference Service and Mailing Preference Service to reduce the number of letters and cold calls you receive.

HOW TO SPOT THE OTHER WARNING SIGNS

Callers may pretend they aren't cold-calling you by referring to a brochure or an email they sent you – that's why it's important you know how to spot the other warning signs.

Unexpected contact – traditionally, scammers cold-call, but contact can also come from online sources, for example, email or social media, post, word of mouth, or even in person at a seminar or exhibition.

Time pressure – they might offer you a bonus or discount if you invest before a set date or say the opportunity is only available for a short period.

Social proof – they may share fake reviews and claim other clients have invested or want in on the deal.

Unrealistic returns – fraudsters often promise tempting returns that sound too good to be true, such as much better interest rates than elsewhere.

False authority – using convincing literature and websites, claiming to be regulated, speaking with authority on investment products.

Flattery – building a friendship with you to lull you into a false sense of security.

When faced with an investment opportunity, especially one that has come out of the blue or is advertised, always ask yourself: 'Could this be a scam?' Always take the time to check who you are dealing with. ■

MARKET FLUCTUATIONS

INVESTMENTS THAT BEST ALIGN WITH YOUR FINANCIAL GOALS

Without a plan, investors are prone to making knee-jerk reactions when there are swings in the market. A well-thought-out investment strategy provides the guidance needed to help you stay on track when inevitable market fluctuation occurs. It can also point you toward the types of investments that best align with your financial goals.

By maintaining a clear purpose for your investment strategy, you help yourself stay on track and confidently navigate the ups and downs of the market. ■

WHEN DEVELOPING YOUR INVESTMENT STRATEGY, CONSIDER THE FOLLOWING FACTORS:

1

YOUR INVESTMENT GOALS

Specifically, for what or whom are you accumulating funds? Your investment goals will help you determine suitable investments.

2

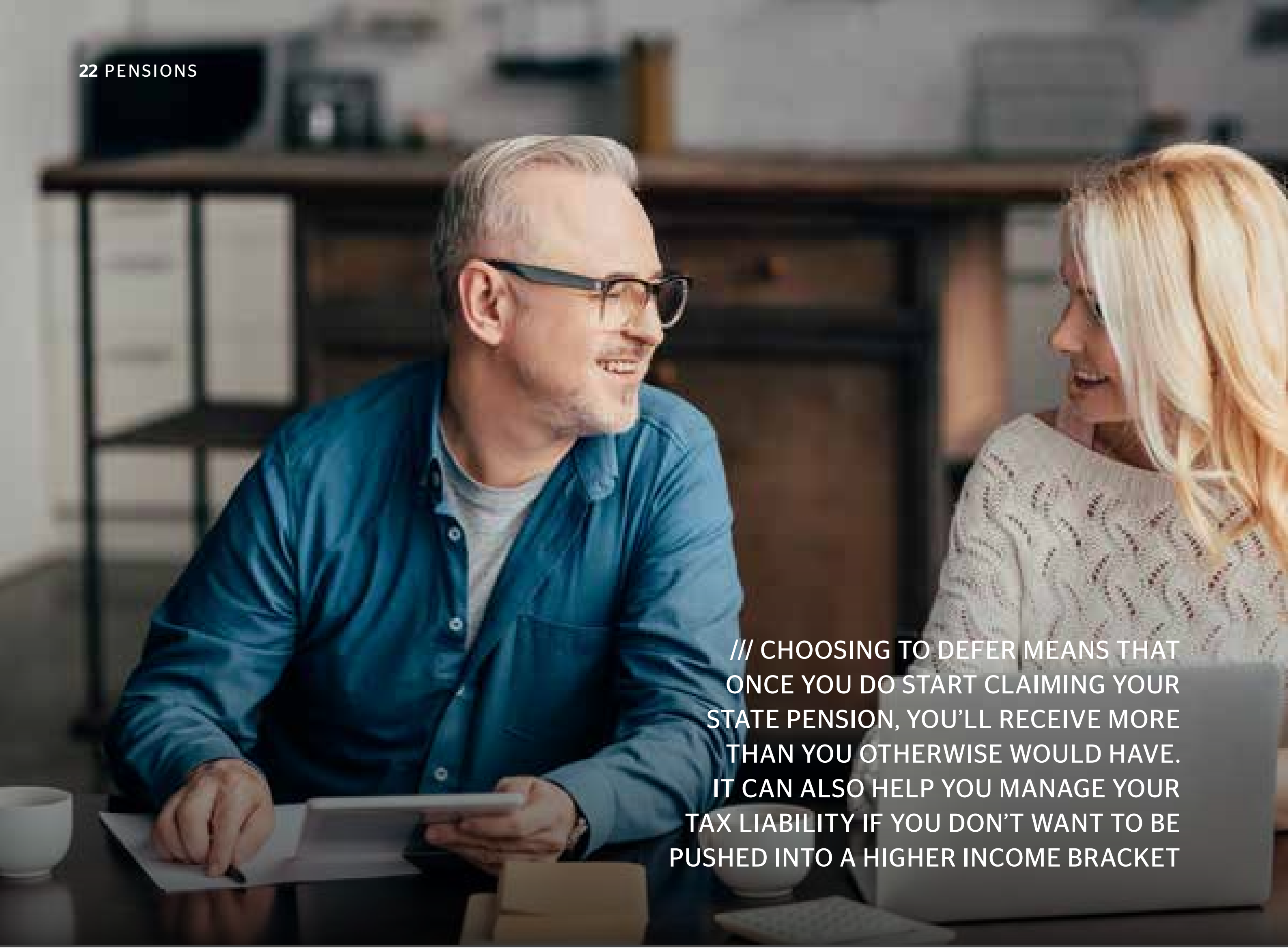
YOUR TIME LINE HORIZON

How many years will it be until you need to use what you have invested? Longer time horizons may provide flexibility for more aggressive investment choices.

3

YOUR TOLERANCE FOR RISK

Take your broader financial situation into account, and consider how comfortable you are with varying degrees of risk as you pursue your investment goals.



/// CHOOSING TO DEFER MEANS THAT ONCE YOU DO START CLAIMING YOUR STATE PENSION, YOU'LL RECEIVE MORE THAN YOU OTHERWISE WOULD HAVE. IT CAN ALSO HELP YOU MANAGE YOUR TAX LIABILITY IF YOU DON'T WANT TO BE PUSHED INTO A HIGHER INCOME BRACKET

MOVING CLOSER TO RETIREMENT

DELAY TAKING YOUR PENSION IF YOU CAN

For those people moving closer to retirement who may have been impacted by the recent market volatility, an option to consider is deferring your private pension.

If you're in a defined contribution scheme, delaying when you claim means that you leave your pension pot invested for longer, so you could secure a bigger pension pot when you do eventually come to retire.

Deferring also means that you can continue to save as much as £40,000 in the current tax year into a pension and earn tax relief under current rules. There is also the opportunity to defer your State Pension for extra income.

Choosing to defer your State Pension means that once you do start claiming it, you'll receive more than you otherwise would have. It can also help you manage your tax liability if you don't want to be pushed into a higher income bracket.

The most important thing to do in the face of what is an unexpected and uncertain period for investors is not panic. We have seen extremely volatile stock markets recently, and it is impossible to say when markets will recover.

5 REASONS TO DELAY TAKING YOUR PENSION

- Your pension has longer to grow
- You can maximise your investment potential before moving to safer assets
- Your employer will keep topping up your pension
- You'll continue to receive tax relief on pension contributions until age 75
- Delaying your State Pension can boost your payments

SECOND SELF-ASSESSMENT PAYMENT DEFERMENT

STRENGTHENING THE SAFETY NET FOR THOSE WHO WORK FOR THEMSELVES

The Chancellor, Rishi Sunak, said he will 'strengthen the safety net for those who work for themselves' with a package of measures to support the self-employed and freelancers, offering improved benefits and tax deferrals.

If you're due to pay a self-assessment payment on account by 31 July 2020, but the impact of the coronavirus causes you difficulty in making payment by that date, then you may defer payment until January 2021.

You are eligible if you are due to pay your second self-assessment payment on account on 31 July. You do not need to be self-employed to be eligible for the deferment. The deferment is optional – if you are still able to pay your second payment on account on 31 July, you should do so.

"If you're due to pay a self-assessment payment on account by 31 July 2020, but the impact of the coronavirus causes you difficulty in making payment by that date, then you may defer payment until January 2021"

This is an automatic offer with no applications required. No penalties or interest for late payment will be charged if you defer payment until 31 January 2021. During the deferral period, you can set up a budget payment plan to help you pay the deferred payment on account when it's due.

If you're in temporary financial distress because of COVID-19, more help is available from HMRC's Time to Pay scheme. ■

SELF-EMPLOYMENT INCOME SUPPORT SCHEME

FINANCIAL SUPPORT FOR THOSE IMPACTED BY CORONAVIRUS

Chancellor of the Exchequer Rishi Sunak unveiled unprecedented government aid for the self-employed. There are around five million people who are self-employed and freelance across the UK, and many will be relieved to hear that financial support is on the way to help those impacted by coronavirus.

LOST INCOME

The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have lost income due to coronavirus (COVID-19). This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next three months. This may be extended if needed.

The Chancellor said it will cover 95% of the self-employed who make most of their money from self-employment.

You can apply if you're a self-employed individual or a member of a partnership, and you:

- Have submitted your Income Tax Self-Assessment tax return for the tax year 2018/19
- Traded in the tax year 2019/20
- Are trading when you apply, or would be except for COVID-19
- Intend to continue to trade in the tax year 2020/21
- Have lost trading/partnership trading profits due to COVID-19

Your self-employed trading profits must also be less than £50,000, and more than half of your income must come from self-employment.

This is determined by at least one of the following conditions being true:

- Having trading profits/partnership trading profits in 2018/19 of less than £50,000, and these profits constituting more than half of your total taxable income
- Having average trading profits in 2016/17, 2017/18 and 2018/19 of less than £50,000, and these profits constituting more than half of your average taxable income in the same period

If you started trading between 2016 and 2019, HM Revenue & Customs (HMRC) will only use those years for which you filed a Self-Assessment tax return.

If you have not submitted your Income Tax Self-Assessment tax return for the tax year 2018/19, you must do this by 23 April 2020.

HMRC will use data on 2018/19 returns already submitted to identify those eligible and will risk assess any late returns filed before the 23 April 2020 deadline in the usual way.

You'll receive a taxable grant which will be 80% of the average profits from the tax years (where applicable):

- 2016 to 2017
- 2017 to 2018
- 2018 to 2019

MAXIMUM OF £2,500 PER MONTH FOR THREE MONTHS

To work out the average, HMRC will add together the total trading profit for the three tax years (where applicable), then divide by 3 (where applicable), and use this to calculate a monthly amount. It will be up to a maximum of £2,500 per month for three months. The grant will be paid directly into your bank account in one instalment.

You cannot apply for this scheme – HMRC will contact you if you are eligible and invite you to apply online.

Once HMRC has received your claim and you are eligible for the grant, they will contact you to tell you how much you will get and the payment details. If you claim tax credits, you'll need to include the grant in your claim as income.

OTHER HELP YOU CAN GET

The Government is also providing the following additional help for the self-employed:

- Deferral of Self-Assessment Income Tax payments due in July 2020, and VAT payments due from 20 March 2020 until 30 June 2020
- Grants for businesses that pay little or no business rates
- Increased amounts of Universal Credit
- Business Interruption Loan Scheme

ADDITIONAL HELP FOR THE SELF-EMPLOYED

Self-employed people can now access Universal Credit up to a level of £94.25 per week. This rate is equivalent to Statutory Sick Pay for employees. The Department for Work and Pensions is increasingly providing advance payments for people who are self-isolating, which 'can be in your account within days', the Chancellor, Rishi Sunak, has announced.

Councils have also been given extra funding to help those most in need, suspending debt collection or helping people pay their rent.

If you are worried about outstanding tax or have financial concerns, 'Time to Pay' arrangements can be agreed with HMRC, which involve pushing back the time period in which you have to pay your tax.

IR35 – which required self-employed contractors working under a company structure such as an LLP to either operate as a sole trader or join the client's payroll – has been suspended until 2021. ■

SELF-EMPLOYED AND NOT ELIGIBLE FOR SSP

WHAT OTHER OPTIONS DO I HAVE AVAILABLE TO ME?

If you are not eligible for Statutory Sick Pay (SSP) – for example, if you are self-employed or earning below the Lower Earnings Limit of £120 per week – and you have COVID-19 or are advised to self-isolate, you can now more easily make a claim for Universal Credit or New Style Employment and Support Allowance.

If you are self-employed and receiving Universal Credit, and you have COVID-19 or are advised to self-isolate, the requirements of the Minimum Income Floor will be temporarily relaxed. This change took effect on 13 March and will last for the duration of the outbreak, to ensure that self-employed Universal Credit claimants will receive support.

If you need to claim Universal Credit but have COVID-19 or are self-isolating, you will now be able to claim and to access advance payments upfront without needing to attend a Jobcentre Plus appointment.

If you are eligible for New Style Employment and Support Allowance, it will now be payable from day one of sickness, rather than day eight, if you have COVID-19 or are advised to self-isolate.

If you think you may need financial support from your Local Authority in England, you may be entitled to support from the £500 million Hardship Fund. Most of this funding will be used to provide more Council Tax relief, either through existing Local Council Tax Support schemes, or through similar measures. ■

/// IF YOU ARE ELIGIBLE FOR NEW STYLE EMPLOYMENT AND SUPPORT ALLOWANCE, IT WILL NOW BE PAYABLE FROM DAY ONE OF SICKNESS, RATHER THAN DAY EIGHT, IF YOU HAVE COVID-19 OR ARE ADVISED TO SELF-ISOLATE

IR35

REFORM DEFERRED BY A YEAR

If you currently work as a contractor, are considering becoming a contractor, or own a business that hires contractors, IR35 is something that you should be familiar with.

Although the Chancellor, Rishi Sunak, previously announced that IR35 reform in the private sector would be introduced as planned on 6 April 2020, the Government has pushed this back amid the ongoing coronavirus pandemic.

Steve Barclay, Chief Secretary to the Treasury, announced on 17 March that reform will be deferred by a year – but made it clear it isn't being cancelled. He said: 'This is a deferral in response to the ongoing spread of COVID-19 to help businesses and individuals.' It comes after a House of Lords finance bill sub-committee said that adding another burden on business would be 'perverse'.

Private sector IR35 reform means that contractors and freelancers will no longer be responsible for working out their tax status. Instead, it'll be down to the clients they work for (although smaller businesses are exempt from the change).

As businesses and the self-employed now face an uncertain few months, the deferral should at least give them more time to prepare for reform. Given the economic challenges that lie ahead of the UK, now certainly would not have been the right time to roll out needless tax changes that could endanger hundreds of thousands of contractors' livelihoods. ■

STATUTORY SICK PAY

PAYMENTS MADE FROM DAY 1, RATHER THAN DAY 4, OF YOUR ABSENCE FROM WORK

If you think you are entitled to Statutory Sick Pay (SSP), you can receive £95.85 per week if you're too ill to work. It's paid by your employer for up to 28 weeks.

If you are self-isolating because of COVID-19, from 13 March, you can now claim SSP. This includes individuals who are caring for people self-isolating in the same household and who have therefore been advised to do a household quarantine. If you were self-isolating before 13 March because someone in your household had symptoms, you cannot receive SSP.

NEED TO MAKE A CLAIM

The Government has legislated for SSP to be paid from day one, rather than day four, of your absence from work if you are absent due to sickness or need to self-isolate because of COVID-19. This applies retrospectively from 13 March. You should talk to your employer if you are eligible for SSP and need to make a claim.

SSP is paid by your employer in the same way as your normal wages (for example, weekly or monthly). If you have more than one job, you may receive SSP from each employer. Tax and National Insurance will be deducted. However, if you think you are not getting the right amount of SSP, talk to your employer.

MUST BE ELIGIBLE FOR SSP

If your illness is not related to coronavirus (COVID-19), you must be eligible for SSP and have been off work sick for four or more days in a row (including non-working days) to get SSP. You cannot get less than the statutory amount. You can receive more if your company has a sick pay scheme (or 'occupational scheme'), but you will need to check your employment contract. There are different sick pay rules for agricultural workers.

From Friday 20 March onwards, those who have COVID-19 or are advised to self-isolate can obtain an 'isolation note' by visiting NHS 111 online and completing an online form, rather than visiting a doctor. For COVID-19 cases, this replaces the usual need to provide a 'fit note' after seven days of sickness absence.

ILL OR HAVE A HEALTH CONDITION OR DISABILITY

If you are not eligible for SSP – for example, if you are self-employed or earning below the Lower Earnings Limit of £120 per week – and you have COVID-19 or are advised to self-isolate, you can now more easily make a claim for Universal Credit (UC) or New Style Employment and Support Allowance (ESA).

If you are ill or have a health condition or disability that limits your ability to work, you may be able to get New Style ESA. This is a fortnightly payment that can be claimed on its own or at the same time as Universal Credit (UC).

The New Style ESA is a contributory benefit which normally means you may be able to receive it if you've paid or been credited with enough National Insurance contributions in the two full tax years before the year you're claiming in.

MOST INCOME IS NOT TAKEN INTO ACCOUNT

Your (or your partner's) savings will not affect how much New Style ESA you're paid. If your partner works, it does not affect your claim. Most income is not taken into account (but a personal pension can affect the amount you may receive).

While you receive New Style ESA, you'll earn Class 1 National Insurance credits, which can help towards your State Pension and other contributory benefits in the future. ■

CORONAVIRUS JOB RETENTION SCHEME

GUARANTEEING A PROPORTION OF THE SALARIES OF MILLIONS OF WORKERS

Around the country, many employers have implemented lay-offs due to reduced revenues and the closure of their business premises due to coronavirus. The Coronavirus Job Retention Scheme has been set up to support those employers and help them continue to pay wages of staff who would otherwise have been let go.

The Government will pay up to 80% of wages for workers at risk of being laid off due to the coronavirus (COVID-19) pandemic, Chancellor Rishi Sunak announced. Under the Coronavirus Job Retention Scheme, all UK employers with a PAYE scheme that was originally created and started on or before 28 February 2020 qualified, but the eligibility date has now been extended to 19 March 2020.

TEMPORARY SCHEME OPEN TO ALL UK EMPLOYERS

Any employer in the country will be able to apply to HM Revenue & Customs (HMRC) for payments of up to £2,500 per worker per month – just above the median UK income – Rishi Sunak announced.

The unprecedented move means the Government will guarantee a proportion of the salaries of millions of workers, if employers keep them on their payrolls rather than laying them off. This is a temporary scheme open to all UK employers for at least four months, which started from 1 March 2020.

INTENDED TO BE UP AND RUNNING BY 20 APRIL

The scheme is designed to support employers whose operations have been severely affected by coronavirus and is intended to be up and running by 20 April. HMRC is working on a portal that employers can use to claim for 80% of furloughed employees' (employees on a leave of absence) usual monthly wage costs.

This is capped at £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions (assuming employees have not opted out) on that wage.

AVAILABLE TO EMPLOYEES WHO ARE BEING FURLOUGHED

The scheme is open only to all UK employers that had registered and started a PAYE payroll scheme on 19 March 2020 who have a UK bank account. In addition, HMRC has revised the slightly lighter guidance available to employees who are being furloughed as a result of the COVID-19 impact.

Any UK organisation with employees can apply, including businesses, charities, recruitment agencies (agency workers paid through PAYE) and public authorities. Where a company is being taken under the management of an administrator, the administrator will be able to access the Job Retention Scheme.

Furloughed employees must have been on your PAYE payroll on 19 March 2020, and can be on any type of contract, including:

- Full-time employees
- Part-time employees
- Employees on agency contracts
- Employees on flexible or zero-hour contracts

EMPLOYEE'S WAGE SUBJECT TO INCOME TAX AND OTHER DEDUCTIONS

The scheme also covers employees who were made redundant since 19 March 2020, if they are rehired by their employer. To be eligible for the subsidy, when on furlough, an employee cannot undertake work for or on behalf of the organisation. This includes providing services or generating revenue. While on furlough, the employee's wage will be subject to usual Income Tax and other deductions.

This scheme is only for employees on agency contracts who are not working. If an employee is working but on reduced hours, or for reduced pay, they will not be eligible for this scheme, and you will have to continue paying the employee through your payroll and pay their salary subject to the terms of the employment contract you agreed.

MAKING CHANGES TO EMPLOYMENT CONTRACTS

Employers should discuss with their staff and make any changes to the employment contract by agreement. When employers are making decisions in relation to the process, including deciding who to offer furlough to, equality and discrimination laws will apply in the usual way. To be eligible for the subsidy, employers must write to their employee confirming that they have been furloughed and keep a record of this communication.

Employees hired after 19 March 2020 cannot be furloughed or claimed for in accordance with this scheme. You do not need to place all your employees on furlough. However, those employees who you do place on furlough cannot undertake work for you. Employees on unpaid leave cannot be furloughed, unless they were placed on unpaid leave after 19 March.

FURLOUGHED FOR EACH JOB WITH MORE THAN ONE EMPLOYER

Employees on sick leave or self-isolating should receive Statutory Sick Pay, but can be furloughed after this. Employees who are shielding in line with public health guidance can be placed on furlough. Also, if an employee has more than one employer, they can be furloughed for each job. Each job is separate, and the cap applies to each employer individually.

However, if workers are required to, for example, complete online training courses whilst they are furloughed, then they must be paid at least the National Living Wage (NMW)/National Minimum Wage (NMW) for the time spent training, even if this is more than the 80% of their wage that will be subsidised.

ELIGIBILITY FOR STATUTORY MATERNITY PAY OR MATERNITY ALLOWANCE

Individuals who are on or plan to take Maternity Leave must take at least two weeks off work (four weeks if they work in a factory or workshop)

immediately following the birth of their baby. This is a health and safety requirement. In practice, most women start their Maternity Leave before they give birth. If you are eligible for Statutory Maternity Pay (SMP) or Maternity Allowance, the normal rules apply, and you are entitled to claim up to 39 weeks of statutory pay or allowance.

Employees who qualify for SMP will still be eligible for 90% of their average weekly earnings in the first six weeks, followed by 33 weeks of pay paid at 90% of their average weekly earnings or the statutory flat rate (whichever is lower). The statutory flat rate is currently £148.68 a week, rising to £151.20 a week from April 2020.

WAGE COSTS THAT EMPLOYERS CAN CLAIM THROUGH THE SCHEME

If women receive enhanced (earnings related) contractual pay on Maternity Leave, this is included as wage costs that employers can claim through the scheme. The same principles apply for employers where an employee qualifies for contractual adoption, paternity or shared parental pay.

Employers will need to make a claim for wage costs through this scheme. They will receive a grant from HMRC to cover the lower of 80% of an employee's regular wage or £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that subsidised wage. Fees, commission and bonuses should not be included.

FEES, COMMISSION AND BONUSES SHOULD NOT BE INCLUDED

At a minimum, employers must pay their employee the lower of 80% of their regular wage or £2,500 per month. An employer can also choose to top up an employee's salary beyond this, but is not obliged to under this scheme.

For full-time and part-time salaried employees, the employee's actual salary before tax, as of 19 March 2020 should be used to calculate the 80%. Fees, commission and bonuses should not be included.

LIABILITY FOR AUTOMATIC ENROLMENT EMPLOYER PENSION CONTRIBUTIONS

All employers will remain liable for associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on behalf of their furloughed employees.

Individuals are only entitled to the NLW/NMW for the hours they are working. Therefore, furloughed workers who are not working must be paid the lower of 80% of their salary, or £2,500 even if, based on their usual working hours, this would be below NLW/NMW.

COMPLETING ONLINE TRAINING COURSES WHILST EMPLOYEES ARE FURLOUGHED

If workers are required to, for example, complete online training courses whilst they are furloughed, then they must be paid at least the NLW/NMW for the time spent training, even if this is more than the 80% of their wage that will be subsidised.

Employers will need to discuss with their staff and make any changes to their employment contracts by agreement. If sufficient numbers of staff are involved, some employers may also need to seek legal advice on the process. ν■

CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME

LIFELINE FOR SMALL AND MEDIUM-SIZED ENTERPRISES STRUGGLING WITH CASH FLOW

The Coronavirus Business Interruption Loan Scheme (CBILS) is a loan scheme that was announced by the Chancellor, Rishi Sunak, during the 2020 Budget and has been set up to help small and medium-sized enterprises (SMEs) that are struggling with cash flow because of revenues that have been deferred or lost due to the coronavirus (COVID-19) pandemic outbreak. The loans are being offered on generous terms to support SMEs.

The Chancellor pledged to give interest-free loans of between £1,000 up to £5 million to companies with revenue of less than £45 million to help them weather the coronavirus outbreak, with the Government guaranteeing banks up to 80% of the value of what was borrowed.

CASH FLOW DISRUPTION

The CBILS provides financial support to smaller businesses across the UK that are losing revenue, in particular for businesses which have or will have their cash flow disrupted by lost or late income as a result of the COVID-19 outbreak.

PACKAGE OF GOVERNMENT SUPPORT

The scheme is a part of a wider package of government support for UK businesses and employees. The British Business Bank operates the CBILS via its accredited lenders. Finance terms are up to six years for loans and asset finance facilities.

For overdrafts and invoice finance facilities, terms are up to three years. Interest and fees for the loans will be paid by the Government for the first 12 months.

There are over 40 lenders currently working to provide finance. They include:

- High-street banks
- Challenger banks
- Asset-based lenders
- Smaller specialist local lenders

A lender can provide up to £5 million in the form of:

- Term loans
- Overdrafts
- Invoice finance
- Asset finance

To be eligible to apply through this CBILS, your business must:

- Be based in the UK
- Have an annual turnover of no more than £45 million

To be eligible to get finance through this scheme, your lender must:

- Confirm that, based on your proposal, if it were not for the coronavirus disruption, you'd have a viable business that meets the lender's normal lending requirements
- Believe that with the finance you get from the CBILS, you'll be able to stay in business and continue trading in the short or medium term

GOVERNMENT-BACKED GUARANTEE

If you're not sure if your lender would decide you're eligible, you can apply anyway. If a lender can offer finance on their normal terms without the CBILS, they will.

CBILS gives the lender a government-backed guarantee for the loan repayments to encourage more lending. The borrower still remains fully liable for the debt, but the big four banks have agreed that they will not take personal guarantees as security for lending below £250,000 under CBILS.

Generally, lenders have a strict set of criteria they use to decide whether to offer credit to businesses. In this coronavirus emergency situation, the Government wants to help small businesses so they're giving selected lenders a guarantee on 80% of the money they lend, up to an overall cap per lender.

As the borrower, your business is still 100% liable for the debt – it's just that the Government is helping to turn your lender's 'no' into a 'yes'. ■

SMALL BUSINESS GRANT FUND

RETAIL, HOSPITALITY AND LEISURE GRANT FUND

Originally announced in the Budget on 11 March, the Small Business Grants Fund (SBGF) and the Retail, Hospitality and Leisure Grant (RHLG) will be delivered by local authorities in England.

RELIEF FROM BUSINESS RATES

The original measures have now been significantly enhanced in light of the business closures as a result of the current pandemic, offering relief from business rates for some sectors and cash grants of £10,000 to £25,000 for all eligible businesses.

This support takes the form of two grant funding schemes: the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund. The schemes are being delivered by Local Authorities – if you are eligible, your Local Authority will be in touch with you to arrange payment.

Central government will provide funding to Local Authorities that are responsible for business rate billing. Those Local Authorities will contact eligible businesses to arrange payment of the grants.

Under the Small Business Grant Fund (SBGF), all eligible businesses in England in receipt of either Small Business Rate Relief (SBRR) or Rural Rate Relief (RRR) in the business rates system will be eligible for a payment of £10,000.

Under the Retail, Hospitality and Leisure Grant (RHLG), eligible businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 will be eligible for cash grants of £10,000 or £25,000 per property.

Eligible businesses in these sectors with a property that has a rateable value of up to and including £15,000 will receive a grant of £10,000. Eligible businesses in these sectors with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000.

Businesses with a rateable value of £51,000 or over are not eligible for this scheme. Businesses that are not ratepayers in the business rates system are not included in this scheme.

SMALL BUSINESS GRANT FUND ELIGIBILITY

Businesses with a property that on 11 March 2020 were eligible for the Small Business Rate Relief (SBRR) scheme (including those with a Rateable Value between £12,000 and £15,000 which receive tapered relief).

Businesses which on 11 March 2020 were eligible for relief under the Rural Rate Relief Scheme are also eligible for this scheme. Eligible recipients will receive one grant per property.

EXCLUSIONS TO SMALL BUSINESS GRANT FUND

You cannot receive SBGF for:

- Properties occupied for personal uses, such as private stables and loose boxes, beach huts and moorings
- Car parks and parking spaces

Businesses which as of 11 March were in liquidation or were dissolved will also not be eligible.

RETAIL, HOSPITALITY AND LEISURE GRANT ELIGIBILITY

Properties which on 11 March 2020 had a rateable value of less than £51,000 and

would have been eligible for a discount under the business rates Expanded Retail

Discount Scheme, had that scheme been in force, are eligible for the grant. Charities which would otherwise meet this criteria, but whose bill for 11 March had been reduced to nil by a local discretionary award, should still be considered to be eligible for the RHLG. Recipients will receive one grant per eligible property.

EXCLUSIONS TO RHLG

You cannot receive RHLG for:

- Properties occupied for personal uses, such as private stables and loose boxes, beach huts and moorings
- Car parks and parking spaces

Businesses which as of 11 March were in liquidation or were dissolved will not be eligible. Eligible recipients will receive one grant per property. Recipients cannot receive both SBGF and RHLG on the same property. ■

WHAT ARE YOU WAITING FOR?

COVID-19 PANDEMIC HAS MADE MORE PEOPLE THINK ABOUT JUST HOW CRUCIAL IT IS TO MAKE A WILL

Understandably, the current situation is causing angst among people, particularly elderly and vulnerable clients who have been self-isolating. It's estimated that more than half of British adults have not made a Will.

The coronavirus pandemic has made more people think about just how crucial it is to make a Will and ensure it is kept up to date. Everyone should have a Will, but it is even more important if you have children; you own property or have savings, investments and insurance policies; or you own a business. Your Will lets you decide what happens to your money, property and possessions after your death.

MAKE SURE YOUR WISHES ARE CLEAR

Making a Will and keeping it up to date is the only way you can ensure that when you die, your wishes are clear. If you die with no valid Will in England or Wales, the law will decide who gets what. If you have no living family members, all your property and possessions will go to the Crown.

It's an essential part of your financial planning. Not only does it set out your wishes, but die without a Will, and your estate will generally be divided according to the rules of intestacy, which may not reflect your wishes. Without one, the state directs who inherits, so your loved ones, relatives, friends and favourite charities may get nothing.

COHABITANTS

It is particularly important to make a Will if you are not married or are not in a registered civil partnership. This is because the law does not automatically recognise cohabitants (partners who live together) as having the same rights as husbands, wives and registered civil partners. As a result, even if you've lived together for many years, your cohabitant may be left with nothing if you have not made a Will.

A Will is also vital if you have children or dependents who may not be able to care for themselves. Without a Will, there could be uncertainty about who will look after or provide for them if you die.

PEACE OF MIND

No one likes to think about it, but death is the one certainty that we all face. Planning ahead can give you the peace of mind that your loved ones can cope financially without you, and at a difficult time it helps remove the stress that monetary worries can bring. Planning your finances in advance should help you to ensure that when you die, everything you own goes where you want it to. Making a Will is the first step in ensuring that your estate is shared out exactly as you want it to be.

If you leave everything to your spouse or registered civil partner, there'll be no Inheritance Tax to pay, because they are classed as an exempt beneficiary. Or you may decide to use your tax-free allowance to give some of your estate to someone else or to a family trust. Scottish law on inheritance differs from English law.

PASSING ON YOUR ESTATE

Executors are the people you name in your Will to carry out your wishes after you die. They will be responsible for all aspects of winding up your affairs after you've passed away, such as arranging your funeral, notifying people and organisations that you've died, collating information about your assets and liabilities, dealing with any tax bills, paying debts, and distributing your estate to your chosen beneficiaries.

You can make all types of different gifts in your Will – these are called 'legacies'. For example, you may want to give an item of sentimental value to a particular person, or perhaps a fixed cash amount to a friend or favourite charity. You can then decide whom you would like to receive the rest of your estate and in what proportions. Once you've made your Will, it is important to keep it in a safe place and tell your executor, close friend or relative where it is.

REVIEW YOUR WILL

It is advisable to review your Will every five years and after any major change in your life, such as getting separated, married or divorced, having a child, or moving house. Any change must be by Codicil (an addition, amendment or supplement to a Will) or by making a new Will. Please contact us to find out more. ■

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