

Dear Clients & Contacts,

It goes without saying that the last number of months have been challenging and have had a significant impact on all, both personally and professionally, with few sectors having escaped unscathed. We at F & P have worked remotely, supported by great technology during this time so we could continue to support and advise our clients and ensure the delivery of the high quality service expected of us. We remain completely committed to helping you and your business during this extraordinary time.

Our priority over the last number of months has been to protect and support all of our clients. Since the start of these unprecedented times, we have been closely monitoring the situation and taking action to mitigate the effects of the pandemic on your business. We remain by your side to help you navigate through these difficult times. I would like to thank our team here at F & P for putting in so much hard work and effort during this time and also to our clients for their patience with us as we worked out how we could get through this with you, whilst continuing to provide the service that you expect from us.

We have also tried to keep you up-to-date on developments that may have affected you or your business through our newsletter and social media channels. It very much felt like these updates were happening on a daily basis. We are delighted to see a lot of our clients reopening and all of the team at F & P are here to help you at any time that you may need us.

As always feel free to call me or any member of our experienced colleagues in F & P, should you require our assistance.

We have adapted to the new environment as an SMP practice and I chair the SMP committee of CPA Ireland. We have seen a demand for our advisory side of our business and we have done a lot of work in terms of the digital side investing in technology so we have the best possible hardware and software and digitally enabled to reduce time spent in our processes.

We are fully compliant with health and safety in our offices to make it a safe working environment for our team. Our niche area, which we are focusing on, is in the area of advisory, and we have also helped some of our clients in the whole cyber security area to make sure that there are no digital threats to their firms.

We attach some useful links and information on the loan repayment breaks, July Stimulus package for your perusal. We welcome these supports but more are needed which hopefully will be addressed in the forthcoming Budget.

COVID - Bank Loan Repayment Breaks.

The Banking & Payments Federation Ireland announced on 18th June 2020 that Irish banks have extended the deadline date for new payment break applications to 30th September 2020 (previously the scheme was extended to 30th June 2020).

What is the scheme?

The payment break gives you a break from repaying your mortgage or personal loan. Under the arrangement, the loan repayments or part of the loan repayments are postponed for an agreed period of time.

Can I still apply for a payment break?

Yes, you can still apply once you have been impacted by COVID-19 and feel you may have difficulty meeting repayments. It is important to note that your loan must not have been in arrears prior to March 2020.

Is there a cost?

While there are no upfront costs associated with the payment break, you will however be charged interest on any repayments that are not made over the course of the payment break. i.e. Unpaid loan interest will be accrued, which will result in your outstanding loan balance increasing (see options below).

What should I do if I can return to full repayments before the end of the payment break?

It is important that you return to making full repayments once you are able to do so, as this would make the loan less costly for you in the long term.

What are my options when the scheme stops?

At the end of the payment break, your monthly mortgage repayments will be recalculated to take into account the repayments that were put on hold or reduced and the interest charged during the payment break. There are two options that may be available when the payment break ends:

1. Increase your repayment amount over the existing loan term, or
2. Extend your loan term to account for the missed repayments.

What should I do?

It is essential that you contact your advisor and lender as early as possible to be able to avail of a payment break. Please be aware, guidelines state that applications for a repayment break state that you must have applied in writing and have received approval from your bank on or before 30th September 2020.

It is important to consider the following before your application:

1. You must be careful when answering the generic questions issued by all the regulated banks for this extension.

2. Your answers could lead to you been challenged by banks, as they may feel that your company's long term outlook might result in the company not been able to meet its banking covenants.

Please contact us today to find out more about the above and how we can help you and your business recover from the Covid-19 crisis.

10 things you need to know about the July Stimulus Package

Here we look at what you might be able to avail of and we break down the top 10 things you need to know;

1. VAT

The standard rate of VAT will be cut from 23% to 21% from September 2020 to February 2021.

2. Temporary Wage Subsidy Scheme

The COVID-19 Temporary Wage Subsidy Scheme has been renamed the *Employment Wage Support Scheme* and extended out until March 2021. For the next period i.e. from August 31st to March 31st 2021, you need to assess that your turnover or customer orders will reduce by 30% (this was previously 25%). First of all, before continuing on the scheme, you need to be sure your business qualifies.

Assuming that you do qualify here is what you need to know;

1. The staff you currently have on this scheme can stay on it
2. To encourage hiring, you can now add new staff to the scheme
3. You will receive a flat rate subsidy of up to €203 per week per employee

*Also the PUP will be extended until April 2021.

3. Bigger Restart Grant

You may be able to avail of a new, improved Restart Grant of up to €25,000. If you have received a payment already you may be able to claim additional monies. Today's announcement also confirmed that businesses that were previously shut out from these restart grants would now be included.

We await further clarification.

4. Refunds

If your company was profitable last year but is set to make a loss this year, an early carry back of trading losses will now be allowed leading to an immediate refund - naturally, this will assist with cashflow issues.

Likewise, the same relief will exist for self-employed individuals who were profitable in 2019 but as a result of COVID-19 will incur losses in 2020.

5. Commercial Rates

Commercial rates have been waived until the end of September.

6. Apprentice Incentive

If you are considering taking on an apprentice you can avail of a €3,000 incentive, €2000 of which will be payable in 2020. This scheme will be run by the Department of Higher Education. Check back on our website when full details are announced on how to apply for this funding.

7. Recruitment Subsidy

If you take someone on who is on the live register or the PUP, you may be able to claim a recruitment subsidy of up to €7,500. There will be 8,000 of these subsidies available under the JobsPlus Scheme.

8. Stay & Spend Scheme

If you operate in the hospitality sector, your customers will be able to claim back tax on spends between €25 and €625 under a new Stay & Spend Scheme for the post summer season. Initial signs are that customers will do this themselves via an app.

9. Credit Guarantee Scheme

If you are considering borrowing to get through the COVID-19 crisis, be aware that the Credit Guarantee Scheme, whereby the government provides an 80% guarantee, has been expanded to a wider range of products. This will mean that low cost loans with interest free periods will be more easily accessible.

10. Help to Buy Scheme

If you are considering buying a house the Help to Buy Scheme has been increased from €20,000 to €30,000.

A useful link for those in hospitality :

<https://failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/COVID-19/Failte-Ireland-Guide-to-July-Stimulus-Package.pdf>

Enhanced Restart Grant

As part of a number of response measures, a €250m Restart Grant was introduced to provide additional support for micro and small enterprises.

The grant was available to rateable businesses with a turnover of less than €5 million and employing 50 people or less which were closed or experienced a drop of 25% or more in turnover to help with costs associated with reopening and reemploying workers following COVID-19 closures. The grant was based on an enterprise's commercial rates bill for 2019 with a minimum payment of €2,000 and a maximum payment of €10,000.

To further support enterprises as the economy reopens and resumes activity, further grant funding of €300m will be provided to businesses through an enhanced Restart Grant.

The maximum grant available will rise to €25,000 (up from €10,000) and the minimum payment will be €4,000 (up from €2,000). Firms that accessed the Restart Grant will be eligible to apply for a second top-up payment to a total combined value of the revised minimum and maximum grant levels. The criteria for accessing the scheme will include Enterprises that have:

- 250 employees or less;
- Turnover of less than €100,000 per employee; and
- Reduced turnover by 25% as a result of COVID-19

Under the revised Restart Grant, support will also be provided for enterprises that could not access the original grant scheme. Non-rated B&Bs and rateable sports businesses will be eligible for a grant payment of €4,000.

Applications for the enhanced grant will open in due course through the Local Authorities. Non-rated B&Bs will be eligible to apply to Fáilte Ireland. Further details will be provided shortly.

For more COVID-19 business supports visit dbei.gov.ie/coronavirus.

Employment Support Measures

As part of the July Stimulus Package, there will be an additional 45,500 places in employment schemes and services.

This comprises:

- 10,000 extra places for Work Placement and Experience Programmes - Youth Employment Support Scheme

- 12,500 extra places with Training Support Grant and an increase from €500 to €1000
- 12,000 extra Enterprise Support Grants for self-employed people receiving the COVID-19 Pandemic Unemployment Payment
- Enhanced JobsPlus recruitment subsidies paid to employers to create an estimated 8,000 new hires from the Live Register (The Government announced under the July Jobs Stimulus that 8,000 recruitment subsidies of up to €7,500 over 2 years will be available for employers to hire someone aged under 30 who is on the Live Register or getting the COVID-19 Pandemic Unemployment Payment.)
- 3,000 extra places on State Employment Schemes, such as Community Employment and Tús
- Public Employment Services(PES) capacity increased across Intreo
- Back to Education Allowance extended to those who received COVID-19 Pandemic Unemployment Payment
- additional support for jobseekers to start a new business will be available with the Back to Work Enterprise Allowance

The Department of Employment Affairs and Social Protection will also work with the Department of Finance to develop and implement a new Short-Time Working scheme, using the wage subsidy model.

Seeking Work and new PUP rates

There is also now a conditionality to be seeking employment now for many on the PUP payment: <https://www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/>. With rates being amended from September 2020: <https://www.gov.ie/en/service/be74d3-covid-19-pandemic-unemployment-payment/>

The Pandemic Unemployment Payment is currently paid at 2 rates - depending on the amount you used to get paid:

- if you earned €200 per week or more - the rate of the COVID-19 Pandemic Unemployment Payment is €350 per week
- if you earned less than €200 per week - you will receive €203 per week, which is the same as the primary rate of Jobseeker's Benefit

Details on the measures announced by Government are available here: www.gov.ie/en/publication/c48ab-july-jobs-stimulus/