

Guidance for businesses and self-employed individuals on coronavirus support measures

The Minister for Economic Development, Tourism, Sport and Culture, the Social Security Minister and the Treasury and Resources Minister have agreed to introduce a series of measures to mitigate the impact of coronavirus on the Island economy, including:

- deferring the payment of Social Security contributions;
- deferring the payment of GST by GST-Registered Businesses; and
- where the Government is a landlord to a local business (directly or through a Government-owned company) to consider payment deferrals.

The following information has been prepared to help support businesses and self-employed individuals on what these measures mean.

What changes are we introducing?

Social Security: with immediate effect, businesses with fewer than 80 employees and self-employed individuals can choose to defer their Social Security contribution payments for A and B quarters (payments due in April and July).

Businesses with more than 80 employees: Businesses can request a deferral of their social security contributions – please contact sscontributions@gov.je for further information

GST: with immediate effect, GST-registered businesses can choose to defer the payment of GST relating to (quarterly and monthly) returns ending 31 March, 30 April, 31 May and 30 June.

Payment of the amounts deferred will be due no later than 12 months after the date they would normally have been due and further detail will be provided at a later date. This will be kept under review.

In the meantime, businesses that can afford to repay are encouraged to continue to do so as there will still be a requirement to repay at a later date.

What does this mean for businesses and self-employed individuals?

During this period, self-employed individuals and employers of fewer than 80 people may postpone paying Social Security contributions, to improve their short-term cash flow. GST-

registered businesses may retain GST collected from their customers and – in due course – arrange to pay it over at a later date. Amounts of contributions and GST postponed will be held on your account and we will discuss payment in due course. Everyone must continue to submit their Social Security schedules and GST returns as normal, to avoid fines and penalties and to ensure that the Government can track the amount of payments being deferred.

Please note, businesses will still be required to make all outstanding payments at a later date. This is not a cancellation of monies owed: it is a deferral to help businesses manage their cash flow during these exceptional circumstances.

Why are we introducing these measures?

Jersey has a robust economy and secure public finances. The Government is keen to support businesses in protecting their cash flow and promptly and decisively respond during this difficult time.

Exactly what do businesses and self-employed individuals need to do to take advantage of these measures?

All affected businesses and self-employed individuals must continue to file all returns and schedules as normal, but we don't require you to make payment unless you choose to do so.

You do not need to notify us that you're deferring the payment, unless you are a business with more than 80 employees seeking to defer social security contributions. In this instance you will need to contact sscontributions@gov.je to discuss your options.

You should still forecast these payments as part of your annual financial planning, as you will be required to pay in due course.

Will this affect benefit entitlement?

No, as long as businesses return their schedules at the usual time, their employees will be credited with a contribution record in the normal way. Self-employed people will also have their record updated as normal.

How long will these measures go on for?

We are currently implementing these measures in respect of liabilities that arise until the end of June; however, we will keep reviewing on an ongoing basis as circumstances develop.

What are we not including?

We are not introducing any changes to the Income Tax Instalment Scheme (ITIS). Employers should continue to deduct income tax and LTC contributions and make returns and payments as normal.

For the avoidance of doubt, GST remains chargeable on supplies of goods and services to consumers in the normal way.

Impots duties are also excluded.

Further information on deferral of rental payments for Government owned business premises will be communicated early next week