

## **2020 Summer Statement: Plan for Jobs**

On 8<sup>th</sup> July 2020, the Chancellor Rishi Sunak unveiled his 'Plan for Jobs' policy with a host of measures designed to boost the UK economy and to protect businesses in the retail, leisure and hospitality industry. We set out below the key announcements.

### **Stamp Duty Land Tax**

The Chancellor announced a temporary increase in the nil rate band that applies for Stamp Duty Land Tax (SDLT) purposes in respect of purchases of residential property in England and Northern Ireland. The band is increased from £125,000 to £500,000 for the period 8 July 2020 to 31 March 2021.

### **Green Homes Grant**

The government will introduce a £2 billion Green Homes Grant, providing at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household.

### **Temporary VAT reduction on food, accommodation and attractions**

From 15 July 2020 to 12 January 2021, the rate of VAT will be cut from 20% to 5% on food and non-alcoholic drinks purchased in restaurants, pubs, cafés and similar premises across the UK.

The temporary reduction will also apply to accommodation and attractions throughout the UK.

Further guidance on this will be published by HMRC in the coming days.

### **Eat Out to Help Out Scheme**

The government is introducing an 'Eat Out to Help Out' scheme which will operate across the UK throughout August 2020. The scheme will subsidise 50% of meals eaten at participating restaurants, cafés, pubs or other eligible food service establishments up to a value of £10 per head. The discount is valid from Monday to Wednesday on any eat-in meal (including non-alcoholic drinks) and can be used unlimited times. The 50% discount will be fully reimbursed to participating establishments.

### **Job Retention Bonus Award**

In order to incentivise employers to retain their furloughed employees, the government will pay UK employers a one-off payment of £1,000 per employee brought back from furlough and kept in employment through to the end of January 2021, as long as the employee earns at least £520 on average each month from 1<sup>st</sup> November 2020 to 31<sup>st</sup> January 2021.

Payments will be made from February 2021. Further details about the scheme will be announced by the end of July.

## Kickstart Scheme

The chancellor also announced various measures to assist young people with finding work and developing work-place skills. As part of these measures, the government will introduce a 'Kickstart Scheme' to create 6-month work placements aimed at those aged 16-24 who are on Universal Credit. Under the scheme, the government will pay employers 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum pension contributions.

The government will also fund employers in England who provide trainees with work experience, at a rate of £1,000 per trainee, with a further bonus for taking on those aged 25 and over.

In addition, employers in England who hire new apprentices will be paid £2,000 per new apprentice they hire aged under 25, and £1,500 per new apprentice aged 25 and over, from 1st August 2020 to 31st January 2021. These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan.

## How VerFides can help

VerFides will endeavour to keep all clients updated as soon as further information becomes available or additional measures are announced. In the meantime, please speak to your usual VerFides contact for further assistance, or email or call the Tax Team: [tax\\_team@verfides.com](mailto:tax_team@verfides.com); call +44 20 7930 7111.

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*This document has been prepared as a general guide and is based on the latest legislation and case law. Whilst every care has been taken in its preparation, VerFides cannot accept any responsibility for any person relying on this publication. Professional advice should be obtained before undertaking transactions and VerFides will be pleased to provide such advice where appropriate.*