

Written evidence submitted by Patricia Dry

As one of two directors of a small educational business, I would like to bring to your attention a loophole affecting directors of small businesses who wish to furlough themselves.

We have just been advised by our accountants, that because we submit an **annual payroll at the end of our financial year, ie, 31 March**, we are **not** eligible to furlough ourselves. For the past twenty years or so, our accountants have submitted our payroll in this way, basically because in so doing they minimise their 'admin' which in turn keeps their professional fees as low as possible.

However, it now seems that the HMRC CJRS portal is **rejecting our claim** because whilst we have received salary payments during this tax year, **there has been no RTI filed before 19 March**.

Obviously I fully understand and appreciate the fact that the government needed to safeguard against scam claims but they have inadvertently discriminated against **a vast number of directors of small businesses who make annual payroll submissions at the end of the financial year, most usually 31 March or 5 April**. **Had this whole situation occurred just three weeks later, they would have made their submissions, and not be in this position.**

Would it not be fairer to amend the system so that it 'worked' if a submission had been filed within the last twelve months?

At the start of the crisis, the government claimed that **'we were all in it together'** and we are often told that **'small businesses are the backbone of the economy'**. Right now, it seems that we are right at the back of the queue when it comes to financial assistance.

We saw the turnover of our business literally plummet to zero the moment schools were closed, and that will be the case until secondary schools re-open. We don't have 'overheads' so are not seeking a loan which would be just another debt that would need to be repaid. We want to seek some compensation for loss of income but we are unable to claim for either loss of salary or loss of dividends.

Surely, the government could at least fix the 'furloughing loophole' which seems to me almost a technical problem, and allow us to claim 80% of our salaries, which for most small businesses are extremely small?

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