

# Coronavirus (COVID-19) Support

## SELF-EMPLOYMENT INCOME SUPPORT SCHEME (SEISS)

### What's being offered?

- A taxable grant worth 80% of your average monthly net trading profits, up to a maximum of £2,500 per month for the next 3 months. *There is an option to extend this period if required.*

### Eligibility?

- Available to individuals or individuals in a partnership.
- You must have submitted a self-assessment tax return for the year to 5<sup>th</sup> April 2019. *If you have not yet submitted a self-assessment tax return, then this must be submitted by **23 April 2020** to qualify for this scheme. HMRC will use data on 2018/19 self-assessment returns submitted to identify those eligible for the scheme.*
- **Please note, HMRC will not take into account any changes made to submitted returns after 26 March 2020, when working out eligibility or amount of the grant.**
- Are currently trading in the 2019/20 tax year and intend to continue trading in the 2020/21 tax year. ie. Post 5<sup>th</sup> April 2020.
- Have lost trading profits as a result of the Coronavirus outbreak.
- Individuals who are still able to work at present are eligible for the scheme. *How or if this affects the grant calculation and amount payable, is unclear just now.*
- Your self-employed trading profits must be **less** than £50,000 and equate to more than half of your overall taxable income. *This **must** have been the case for the 2018/19 tax year or the average of the last 3 years, 2016/17, 2017/18 and 2018/19.*
- Individuals who have started self-employment **after** 5<sup>th</sup> April 2019, will not be eligible.

### How is the grant calculated?

- Grant is calculated on your average trading profits from the tax years ending 5<sup>th</sup> April 2017, 5<sup>th</sup> April 2018 and 5<sup>th</sup> April 2019 (*where applicable*).
- *HMRC will total the 3 years trading profits and divide this by 3 to obtain the average annual trading profits and then divide by 12 to obtain the average monthly amount.*
- Individuals who have been self-employed for **less** than 3 years, Grant is calculated based on average monthly trading profits for the tax year ending 5<sup>th</sup> April 2019.
- Amount payable is the **lower** of the average monthly trading profits and £2,500.
- The grant will be backdated to 1<sup>st</sup> March 2020, so will therefore cover the months of March, April and May.

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## How to claim?

- You **cannot** apply for this scheme.
- HMRC will administer this scheme and will contact you if you are eligible, to complete an online application. *No confirmed timescale on this, HMRC are advising individuals not to contact them.*
- *Please be vigilant of scam texts, calls and emails claiming to be from HMRC and asking you to click on a link or give out personal information. This scheme will only be accessed through GOV.UK*

## When will I receive?

- It is unclear when the grant will be payable. Most common view, is around 10 weeks, early June time.
- The grant amount will be paid in one instalment and directly into your bank account.

## Other points to note

- The grant is taxable income and will require to be declared in your self-assessment tax return for the year ended 5<sup>th</sup> April 2021, with tax payable by 31<sup>st</sup> January 2022.
- For individuals who claim tax credits, the grant amount should be included in any claim.

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## **NEWLY SELF-EMPLOYED HARDSHIP FUND**

### **What's being offered?**

- Grants of £2,000 will be available for the recently self-employed who do not qualify for any other COVID-19 related business support and are suffering financial hardship.

### **Eligibility?**

- Individuals who registered for self-employment post 5th April 2019 and did not file a 2018/19 self-assessment return.
- Derive over 50% of income from self-employment.
- Have trading profits below £50,000 in financial year 2019-20.
- Can provide evidence of active trading up to March 2020 and intend to continue trading in the tax year 2020-21.
- Have lost business due to coronavirus and are experiencing personal financial hardship as a result.
- Do not qualify for other COVID-19 related business support (including the Business Interruption Loan Scheme, Bounce Back Loan for small businesses, Employer Job Retention Schemes, HMRC Self-Employment Income Support Scheme, Non-Domestic Rates relief, Small Business Grant or other business support)
- Are not yet in receipt of state benefits payments (Universal Credit, Statutory Sick Pay, Employment and Support Allowance, Job Seekers' Allowance, Income Support) or have applied for but not yet started receiving Universal Credit.
- Trade as self-employed, not as a limited company or partnership.
- Have taken steps to limit costs and expenditure (including through schemes such as VAT deferral and seeking a mortgage payment holiday).
- Do not have access to sufficient savings or other sources of income to meet basic needs.

### **How to claim?**

- Online application process will be available on local authority websites from Thursday 30th April.

### **When will I receive?**

- Councils are aiming to pay out grant funds within 10 working days upon receipt of application.

**Support for Small B&Bs:**

- **NEW – 9<sup>th</sup> June 2020**, it was announced last week, that £3m of the Newly Self-Employed Hardship Fund will be reallocated to support B&Bs who are ineligible for other support due to not having a business bank account.
- Final eligibility criteria still to be published but applications for fund are expected to open by **15<sup>th</sup> June**.