

CORONAVIRUS SELF-EMPLOYMENT INCOME SUPPORT SCHEME



DETAILS OF THE SCHEME

Detailed guidance has been published, explaining how the scheme will work, but it leaves a few questions unanswered and new businesses and those behind on filing their tax returns without any support.

HOW WILL THE SCHEME WORK

If you are eligible (see below) you will be entitled to claim a grant equal to 80% of your average monthly trading profits, up to a maximum of £2,500 per month. The grant is subject to Income Tax and National Insurance contributions, but does not need to be repaid.

The grant will be made for 3 months, covering the period from 1 March to 31 May 2020, 'but may be extended'.

This week HMRC will start contacting self-employed people who are likely to be eligible, through a combination of emails, SMS texts and letters, to tell them what they need to do to get ready to claim.

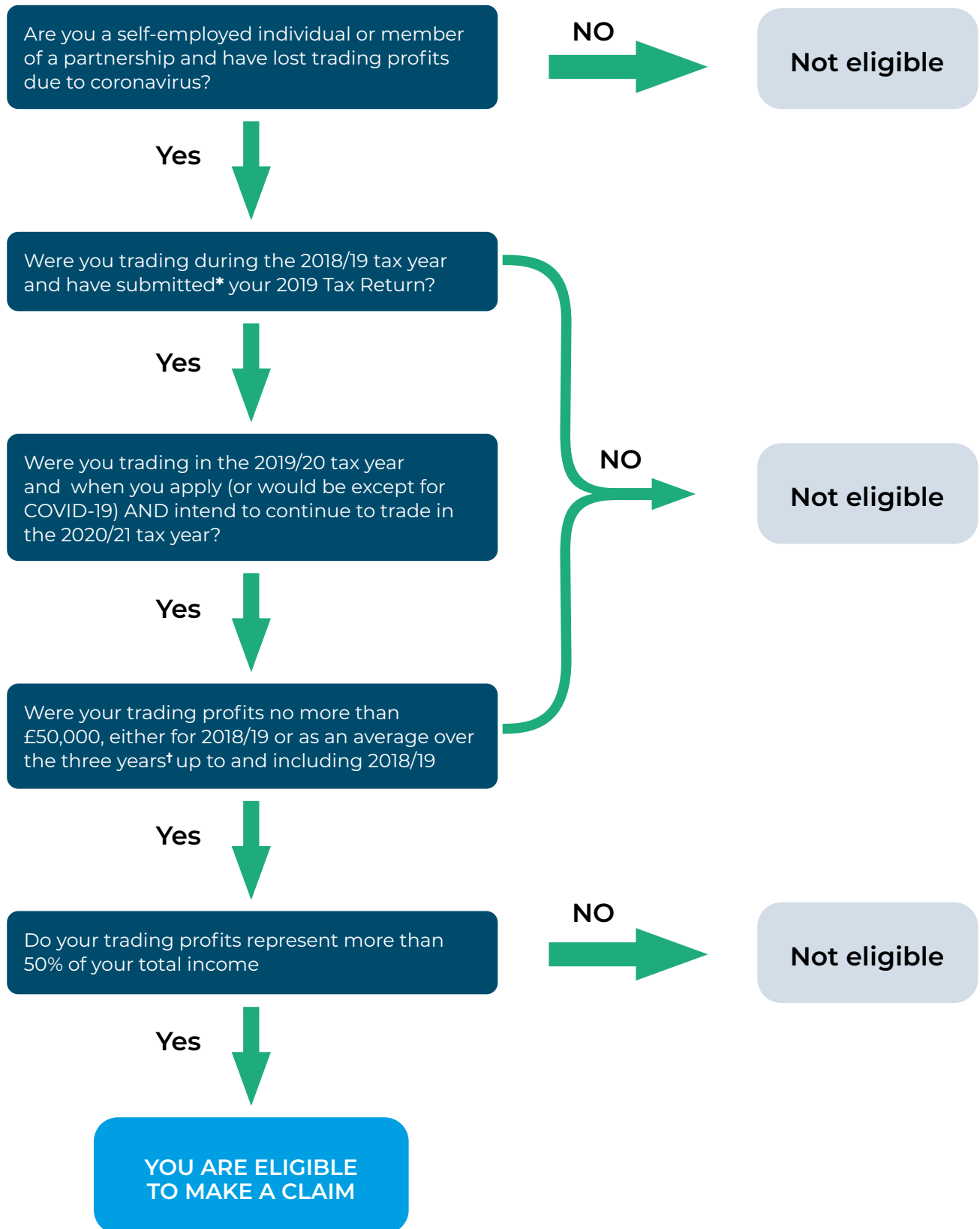
Applications will open in tranches based on the unique taxpayer number (UTR) given to all selfemployed taxpayers.

From 4th May people will be able to use a new online eligibility checker. If the checker confirms that they are eligible (and they qualify due to being affected by coronavirus and because they intend to continue trading), they will be given a date when they can use the online service to make a claim from 13 May.

“You will only be able to claim using the GOV.UK online service. If you receive texts, calls or emails claiming to be from HMRC, offering financial help or a tax refund and asking you to click on a link or to give personal information, it is a scam.”



AM I ELIGIBLE?



* If your 2019 Tax Return was not submitted by 23 April 2020 you will not be eligible

† No support will be available for those who have commenced trading after 5 April 2019

HOW WILL THE GRANT BE CALCULATED

The grant is based on an average of your trading profit over the previous 3 tax years; 2016/17, 2017/18 and 2018/19. HMRC will add together the total trading profits or losses for the 3 tax years then divide by 3.

If you do not have trading profits for all of the above three years the calculation will be based on the continuous period of self-employment to date, which will either include 2017/18 and 2018/19 or 2018/19 only.

The grant will be 80% of your average trading profit, divided by 12 to give a monthly amount, up to a maximum of £2,500 per month.

HMRC will not take into account any changes to submitted returns made after 26 March 2020, in identifying eligibility and calculating the grant.

Where a claim for Farmers Averaging Relief has been submitted HMRC will base the assessment on the trading profit before the application of the averaging claim.

Special rules apply if you have received payment for work or services in the form of a loan or other form of credit covered by the 'loan charge'. Eligibility and the calculation of average trading profits will be based on either the average of the tax years 2016/17 and 2017/18, or the tax year 2017/18 if you were not self-employed in the previous tax year. The deadline for submitting the 2019 Tax Return is also extended to 30 September 2020.

HOW DO I MAKE A CLAIM

Once you have completed the online eligibility checker, if successful, you will be given a date on which to make your claim in order to receive your grant on the 25th May 2020.

Details you will need to make the claim:

- Self Assessment UTR - if you do not have this find out how to get your lost UTR
- National Insurance number
- Government Gateway user ID and password - if you do not have a user ID, you can create one when you
- Bank account number and sort code you want us to pay the grant into (only provide bank account details where a Bacs payment can be accepted)

You'll have to confirm to HMRC that your business has been adversely affected by coronavirus.

If you claim the grant HMRC will treat this as confirmation you're below the state aid limits.

HMRC will check claims and take appropriate action to withhold or recover payments found to be dishonest or inaccurate.

HMRC aim to contact eligible individuals by mid May 2020, inviting them to make a claim using the GOV.UK online service. An alternative method will be available to those not able to submit their claim online.



HMRC will pay the grant directly into the individuals bank account, in one instalment.

If you receive a grant you can continue to work, or take other employment including voluntary work.

OTHER SUPPORT AVAILABLE

- **Deferral of Self Assessment Income Tax and VAT payments**
- **Grants for businesses that pay little or no business rates**
- **Bounce Back Loan Scheme**
- **Business Interruption Loan Scheme**
- **Coronavirus Job Retention Scheme, including directors**
- **Universal Credit & Employment and Support Allowance (ESA) for Self-employed**

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