

## Self Employment Income Support Scheme - SEISS

Updated 26 March 2020

The following is Ward Williams understanding of the policy and how this will work based upon the information published by the Government. This information should not be solely relied on for advice at this stage but is intended to give an indication of how the scheme should work.

### The objectives of the scheme

As with the Coronavirus Job Retention Scheme, the overall objective is to keep people at home, whilst ensuring that self employed individuals are entitled to a similar level of protection over their income as is being afforded to those in employment positions.

This scheme will allow self employed individuals (and partners in a partnership) to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months (to May 2020). The Chancellor has advised that this will be extended if needed.



## Who can apply

You can apply if you're a self-employed individual or a member of a partnership and you:

- have submitted your Income Tax Self Assessment tax return for the tax year 2018-19 (if you have not submitted your 2019 tax return, you have until 23 April 2020 to get this filed)
- traded in the tax year 2019-20
- are trading when you apply, or would be except for COVID-19 intend to continue to trade in the tax year 2020-21
- have lost trading/partnership trading profits due to COVID-19

But note that the self-employed individuals can continue to carry on in business (i.e. there is no requirement to stop working as there is with the scheme for employees).

Your self-employed trading profits must also be less than £50,000 and more than half of your income come from self-employment. This is determined by at least one of the following conditions being true:

- having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of your total taxable income
- having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of your average taxable income in the same period

If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return.

HMRC will use data on 2018-19 returns already submitted to identify those eligible and will risk assess any late return filed before the 23 April 2020 deadline in the usual way.

Please note that this scheme does not cover individuals who pay themselves a salary and dividends through their own company. These individuals may however be covered for their salary by the Coronavirus Job Retention Scheme if they are operating PAYE schemes.

## How much you'll get

You'll get a taxable grant which will be 80% of the average profits from the tax years (where applicable):

- 2016 to 2017
- 2017 to 2018
- 2018 to 2019

To work out the average HMRC will add together the total trading profit for the 3 tax years (where applicable) then divide by 3 (where applicable), and use this to calculate a monthly amount. It will be up to a maximum of £2,500 per month for 3 months. The grant will be paid directly into your bank account, in one instalment.

The Chancellor confirmed that the lump sum payment will likely be issued in early June 2020, at the earliest.

## How to apply

You cannot apply for this scheme yet. HMRC will contact you if you are eligible for the scheme and invite you to apply online – individuals do not need to contact HMRC to apply.

You will access this scheme only through GOV.UK. If someone texts, calls or emails claiming to be from HMRC, saying that you can claim financial help or are owed a tax refund, and asks you to click on a link or to give information such as your name, credit card or bank details, it is a scam.

## After you've applied

Once HMRC has received your claim and you are eligible for the grant, they will contact you to tell you how much you will get and the payment details.

Please note that if you claim tax credits you'll need to include the grant in your claim as income.



## Other help you can get

The government is also providing the following additional help for the self-employed:

- deferral of Self Assessment income tax payments due in July 2020 and VAT payments due from 20 March 2020 until 30 June 2020
- grants for businesses that pay little or no business rates
- increased amounts of Universal Credit
- Business Interruption Loan Scheme

**If you have concerns or questions, please contact us on 01932 830664 or through your usual client partner contact. As further details are announced, we will keep you informed.**

