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Self Employed Income Support Scheme

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This Self Employed Income Support Scheme (SEISS) has provided a series of grants to help the self-employed in a manner similar to the employed receive through the Furlough scheme. In November the Chancellor announced a fourth grant for the 3 month period from February 2021. In his March Budget he also announced a fifth grant for the 3 months from May 2021, and this one may be available to many people who weren't eligible for previous grants because they only became self employed last year. More details will be added here as soon as they are available.

The package is available only to self-employed individuals or members of partnerships who:

- have submitted their tax returns for 2018/19
- traded in 2019/20, are currently trading (or would be but for Covid-19) and intend to trade in 2020/21
- have lost trading/partnership trading profits due to COVID-19

In addition, one of the following conditions must be met:

- Either trading profits in 2018/19 must have been less than £50,000 and constituted more than 50% of total taxable income for the year
- Or average trading profits in 2016/17, 2017/18 and 2018/19 must have been less than £50,000 and constituted more than 50% of average taxable income for the same period

1st grant – covers a 3 month period from March 2020 for 80% of the average monthly profits from the tax years 2016/17, 2017/18 and 2018/19, up to a maximum of £7,500.

2nd grant – for the 3 months from June 2020 for 70% up to a total of £6,570.

3rd grant – 3 months from November 2020 for 80% of average monthly profits up to a total of £5,160

4th grant – 3 months from February 2021 80% of average monthly profits up to a maximum of £7,500.

5th grant – 3 months from May 2021 – details to be confirmed

Each payment is made as a single lump sum. Where individuals have fewer than three years' tax returns, it will be based on the years that they do have.

Our Comments

HMRC have clarified that the profits for the year are the self-employment profits after all deductions and reliefs – that is, the taxable amount. People who had special reliefs may be prejudiced as a consequence. It also seems unjust that an individual with average profits of £50,001 is entitled to nothing whereas an individuals with average profits of £49,999 will qualify in full.

What you should do

- Applications for the fourth grant will be open from late April 2021. We will update this helpsheet with information about further grant application deadlines. If you have received notification of eligibility from HMRC and are not sure what to do next, please get in touch. We can assist you by preparing the information you need ready for you to make your claim.
- If you have not received notification from HMRC, then we can also help you check your eligibility.
- Once your claim has been approved, HMRC will pay you directly.
- The payment is taxable, and you should include it on your 2020/21 tax return.

How we can help you

Contact your usual team, or call us on 0330 024 3200 or email hi@hhllp.co.uk if you need any assistance with the SEISS or any of the other Coronavirus support measures.

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We will keep clients up to date at hillierhopkins.co.uk

Information about government help and advice is at <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-employees-employers-and-businesses>

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