

SME bureau
COVID-19
Support for the Self
Employed

24 July 2020



Table of Contents

Self-employment Income Support Scheme – SECOND AND FINAL GRANT.....	2
Universal Credit.....	5
Employment and Support Allowance.....	7

Self-employment Income Support Scheme:

NOTE: THE SCHEME IS NOW CLOSED TO NEW CLAIMS FOR THE FIRST GRANT

What is the second and final grant?

- An extension of the SEISS
- If you are eligible for the first grant and can confirm to HMRC your business has been adversely affected on or after 14/07/2020; you can claim from 17/08/2020
- Taxable grant worth 70% of your average monthly trading profits
- Paid in a single instalment covering 3 months' worth of profits
- Capped at £6,570 in total
- HMRC will contact you if you're eligible
- You can make a claim for the second grant even if you did not make a claim for the first grant

How does the grant work?

- If you receive the grant you can:
 - Continue to work
 - Start a new trade
 - Take on other employment
- The grant does not need to be repaid
- It will be subject to Income Tax and NI
- HMRC will work out if you're eligible and how much you will get

Who can apply?

- 1) Self-employed individuals
- 2) Members of a partnership

Who:

- Your business has been adversely affected on or after 14 July 2020 such as:
 - You're unable to work due to:
 - Shielding
 - Self-isolating
 - On sick leave due to COVID
 - Have caring responsibilities due to COVID
 - You've had to scale down
 - Temporarily stopped trading
 - Incurred additional costs due to:
 - your supply chain has been interrupted
 - you have fewer or no customers or clients

- your staff are unable to come in to work
- one or more of your contracts have been cancelled
- you had to buy protective equipment so you could trade following social distancing rules

NOTE: You must keep evidence to confirm your business was adversely affected at the time you made your claim

The following must also apply:

- Traded in 2018-19 and submitted a Self-Assessment tax return before 23 April 2020
- Traded in tax year 2019-20
- Intend to continue to trade in the tax year 2020-21
- Carry on a trade that is adversely affected by COVID

NOTE: You cannot claim the grant if you trade through a limited company or a trust.

Subject to:

- Self-employed trading profits < £50,000 and at least equal to your non-trading income for either 2018 to 2019 tax year, or as an average of tax years 2016-17, 2017-18 and 2018-19.

NOTE: Trading profits do not include dividends paid from your own company to yourself.

Note: 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 returns filed before the 23 April 2020.

How to claim?

- You can now claim on-line <https://www.gov.uk/guidance/claim-a-grant-through-the-self-employment-income-support-scheme>
- You must make the claim yourself. Your tax agent or adviser must not claim on your behalf as this will trigger a fraud alert, and you will have to contact HMRC. This will cause a significant delay to you receiving your payment.

How can different circumstances affect the scheme?

Check if your circumstances affect your eligibility for the following:

- if your return is late, amended or under enquiry
- if you're a member of a partnership
- if you had a new child

- if you have loans covered by the loan charge
- if you claim averaging relief
- if you're non-resident or chose the remittance basis
- if you're a military reservist

What you'll need to apply ON OR BEFORE 19 OCTOBER 2020?

- Government Gateway user ID and password - if you do not have a user ID, you can create one when you make your claim
- UK bank details (only provide bank account details where a Bacs payment can be accepted) including:
 - bank account number
 - sort code
 - name on the account
 - your address linked to your bank account

How much you'll get?

It's a taxable grant which will be 70% of the average profits from the tax years (where applicable):

- 2016/2017
- 2017/2018
- 2018/2019

The average: Total trading profits and losses for the 3 tax years divided by 3, divided by 12 to calculate a monthly amount.

The average if you did not trade in 2016/2017: Total trading profits and losses for the tax years 2017/2018 and 2018/2019, divided by 2, divided by 12 to calculate a monthly amount.

The average if you did not trade in 2017/2018: Trading profit/loss for the tax year 2018/2019 only (even if you traded in 2016/2017), divided by 12 to calculate a monthly amount.

A maximum payment of **£6,570** for 3 months in total, will be paid directly into your bank account, in one instalment.

How to claim?

The online service is not available yet. If you're eligible you'll be able to make a claim for a second and final grant from 17 August 2020.

Universal Credit:

What is it?

A monthly payment to help with living costs payable if on a low income, out of work or if one cannot work.

Who can apply?

Individuals:

- on a low income or out of work
- 18 or over (there are some exceptions if you're 16 to 17)
- under State Pension age (or your partner is)
- with a partner who have £16,000 or less in savings between you
- live in the UK

What's included?

Universal credit is made up of a standard allowance plus extra amounts for

- children
- disability or health condition which prevents you from working
- need help paying rent

Standard allowance:

Circumstances	Monthly standard allowance
----------------------	-----------------------------------

Single and under 25	£342.72
---------------------	---------

Single and 25 or over	£409.89
-----------------------	---------

In a couple and you're both under 25	£488.59 (for both)
--------------------------------------	--------------------

In a couple and either of you are 25 or over	£594.04 (for both)
--	--------------------

Children**Extra monthly amount**

For your first child

£281.25 (born before 6 April 2017)
£235.83 (born on or after 6 April 2017)

For your second child and any other
eligible children

£235.83 per child

If you have a disabled or severely
disabled child

£128.25 or £400.29

If you need help with [childcare costs](#)

up to 85% of your costs (up to £646.35 for one child and
£1,108.04 for 2 or more children)

Employment and Support Allowance (ESA)

What is it?

An allowance paid:

- if you have a disability or health condition that affects how much you can work:
- to help with living costs if you're unable to work
- support to get back into work if you're able to

Who can apply?

Individuals:

- self-isolating because of coronavirus (COVID-19)
- employed, self-employed or unemployed.