**Support for those Self Employed during COVID-19**

**27th March 2020**

Last night (26th March 2020) Chancellor Rishi Sunak announced the Governments support package for those self-employed who have been adversely affected by the Coronavirus. The ‘Self Employed Income Support Scheme’ will introduce a taxable grant worth 80% of average trading profits over the last three years up to £2,500 per month. This scheme will be in place for at least the next three months and will be extended if need be.

**Eligibility**

This support will be targeted. Those eligible will be self-employed individuals or a member of a partnership who:

* Have filed your Income Tax Self-Assessment tax return in 2018-19.
* Traded in the tax year 2019-20
* Are trading when application is made, 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

Self-employed trading profits must also be less than £50,000 and more than half of their income must 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 their 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 their 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.

**If you have not submitted your Income Tax Self-Assessment tax return for the tax year 2018-19, you must do this by 23 April 2020.**

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 deadline in the usual way.

## 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.

It will be paid directly into your account, in one instalment.

**How to apply**

HMRC are working on this urgently and expect access to be available no later than the beginning of June. HMRC will contact those thought to be eligible directly inviting them to apply online and the grant will be paid directly into your bank account. Mr Sunak explained this support package would be backdated to the start of March the same as the support package for those employed.

**Please note -** You will access this scheme only through [GOV.UK](https://www.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.

If you claim tax credits you’ll need to include the grant in your claim as income.

**Other help:**

* Self Employed can access the ‘Coronavirus business interruption loan scheme’ <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-through-the-coronavirus-business-interruption-loan-scheme> OR <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/>
* Self-assessment income tax rates due in July2020 can be deferred until January 2021 <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-through-deferring-vat-and-income-tax-payments>
* Support for Businesses who pay little or no Business Rates <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#support-for-businesses-that-pay-little-or-no-business-rates>
* Increased amounts of Universal Credit <https://www.gov.uk/universal-credit>
* You can speak to your Local Authority regarding support with Council Tax.
* The potential for mortgage holidays. Contact your Mortgage provider

If you’re a director of your own company and paid through PAYE you may be able to get support [using the Job Retention Scheme](https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme).