



## COVID19

### FAQs – Self-employment income support scheme

#### Introduction

Our second FAQ covers the support for the self-employed announced only yesterday evening. We will update the guidance as and when new information becomes available.

Do let us know if there's a question we haven't covered yet, or you become aware of new information before we do.

#### SELF-EMPLOYED INCOME SUPPORT SCHEME

##### *Who can apply?*

A self-employed individual, or a partner in a partnership who has:

- Submitted their 2019 Tax return, or will have done by 23 April 2020.
- Traded in the current tax year, and intends to trade in the 2020/21 tax year
- Lost profits due to COVID19
- Trading profits of less than £50,000 and these are more than half of your total taxable income
- Trading profits of less than £50,000 averaged over the past three years or since you commenced trading.

##### **How do I work out my profits?**

Technically, HMRC will do that for you, but you may want to check their calculations with the help of your accountant.

##### **How do I apply?**

Again, HMRC will contact you and invite you to join the scheme.



***What information will I have to provide?***

We do not know at this stage, but it could be limited to your UTR, home address and bank account details.

***That sounds a little dodgy, how do I know if I'm being scammed?***

Wait until you get the invitation, and then check the address of the website where you must provide details.

***How much will I get?***

You will receive a maximum of £7,500, being three months at the maximum of £2,500 per month.

By way of example, if your profits have been as follows:

2016/17	£55,000
2017/18	£35,000
2018/19	£30,000

your average profits are £40,000 a year and you'll get 80% of that, or £2,500 month if less.

As £40,000 is equivalent to £3,333 per month, your claim will be limited to £2,500 per month.

***Is the grant taxable?***

Yes, and as much as it hurts me to say this, that is entirely fair and logical. It replaces taxable profits and therefore should be treated in the same way. You'll need to include it on your 2021 Tax Return.

It will also count as your income for tax credit purposes.

***I started self-employment after 6 April 2019, what can I claim?***

You cannot claim under this scheme. Sadly, you are relying on Universal Credit or a CBILS facility. Do look at the rates-related grants if you occupy a premises that is registered for business rates.



***How will get paid?***

HMRC will make a payment direct to your bank account. Self-assessment tax refunds are already paid in this way so hopefully, it is not a big change for HMRC to process.

***What other help is available?***

You can defer your July 2020 payment on account until January 2021.

VAT payments falling due between 20 March and 20 June 2020 can be deferred until 5 April 2021 at the latest.

Tax free grants are available for anyone in receipt of SBRR or rural rates relief.

Universal Credit rates have been increased

Finally, you may be eligible for a business interruption loan (or CBILS)

***Where can I go for more guidance?***

<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

is the place!!

Do get in touch if you have any other questions.

**The team @ Numbers (UK) Limited**  
**27 March 2020**