

## HM Revenue & Customs Self-employment Income Support Scheme (HMRC SEISS)

This week HMRC will start contacting people who may be eligible for the new Self-Employment Income Support Scheme.

If you are eligible, this scheme will allow them to claim a taxable grant worth 80% of their trading profits up to a maximum of £7,500.

It appears that we will not be contacted by HMRC, therefore, if you receive a computation/correspondence from them please get in touch with us immediately.

### Who can claim?

You can claim if you are a self-employed individual or a member of a partnership and:

- you carry on a trade which has been adversely affected by coronavirus
- you traded in the tax year 2018 to 2019 and submitted your Self-Assessment tax return on or before 23 April 2020 for that year
- you traded in the tax year 2019 to 2020
- you intend to continue to trade in the tax year 2020 to 2021

Your business could be adversely affected by coronavirus, for example if:

you are unable to work because you:

- are shielding
- are self-isolating
- are on sick leave because of coronavirus
- have caring responsibilities because of coronavirus
- you have had to scale down or temporarily stop trading because:
  - your supply chain has been interrupted
  - you have fewer or no customers or clients
  - your staff are unable to come in to work

You should not claim the grant if you are above the state aid limits or operating a trade through a trust.

To work out your eligibility HMRC will first look at your 2018 to 2019 Self-Assessment tax return. Your trading profits must be no more than £50,000 and at least equal to your non-trading income.

If you are not eligible based on the 2018 to 2019 Self-Assessment tax return, HMRC will then look at the tax years 2016 to 2017, 2017 to 2018, and 2018 to 2019.

Find out how HMRC will work out your eligibility including if they have to use other years here:

<https://www.gov.uk/guidance/how-hmrc-works-out-total-income-and-trading-profits-for-the-self-employment-income-support-scheme>

### How different circumstances affect the scheme

- if your return is late, amended or under enquiry
- if you are a member of a partnership
- if you are on or took parental leave
- if you have loans covered by the loan charge
- if you claim averaging relief
- if you are non-resident or chose the remittance basis
- if you are above the state aid limits

Check these circumstances here: <https://www.gov.uk/guidance/how-different-circumstances-affect-the-self-employment-income-support-scheme>

### How much you will get?

You will get a taxable grant based on your average trading profit over the 3 tax years:

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

HMRC will work out your average trading profit by adding together your total trading profits or losses for the 3 tax years, then we will divide by 3.

The grant will be 80% of your average trading profit, divided by 12 to give a monthly amount. HMRC will then multiply this by 3. We will pay this amount up to a maximum of £7,500. The grant amount they work out for you will be paid directly into your bank account, in one instalment.

Find out how HMRC will work out your average trading profits including if you have not traded for all 3 years here: <https://www.gov.uk/guidance/how-hmrc-works-out-total-income-and-trading-profits-for-the-self-employment-income-support-scheme#3years>

### How to claim?

The online service you will use to claim is not available yet. HMRC will aim to contact you by mid May 2020 if you are eligible, to invite you to claim using the GOV.UK online service. Payment will be made by early June 2020 if your claim is approved.

You will need a government gateway ID to make the claim and if you do not already have one you can set this up when you make the application for the claim.

If you are unable to claim online an alternative way to claim will be available. HMRC will update the overview with more information soon. We will update you as soon as we know more but keep your eye on: <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

As set out above, we recommend you contact us immediately if you receive a computation/correspondence from HMRC.