

Covid-19 – Self-Employment Income Support Scheme

The Chancellor Rishi Sunak confirmed on Thursday 26th March that self-employed people across the UK will be able to get an amount equivalent to 80% of their income, based on their average monthly profits – up to a maximum of £2,500 a month.

Grants will start to be paid at the beginning of June, as a taxable lump sum covering March, April and May. And while the scheme's initially to cover these three months, the Chancellor has said it may be extended.

Who will be eligible for the scheme?

To apply to the new Self-Employment Income Support Scheme, the following must apply:

- **You must earn more than half of your total income from self-employment.** This must have been the case for either your 2018/19 tax return or the average of your last three years' tax returns: 2016/17, 2017/18 and 2018/19 tax returns (or both).
- **Your average annual trading profit must be less than £50,000.** Those whose average annual trading profit is £50,000 or more won't be able to get any support from this scheme.

Government guidance says your average annual trading profit will be calculated from either your 2018/19 tax return or the average of your 2016/17, 2017/18 and 2018/19 tax returns. It is not clear from the Government guidance which of these is used if the figures differ.

- **You must have filed a tax return for 2018/19.** This means you must have been self-employed prior to 6 April 2019. If you were due to file a 2018/19 tax return but missed the deadline of January this year, you'll have until Sunday 26 April to submit your tax return, after which you can access the scheme.
- **If you became self-employed after April 2018, your 2018/19 tax return will be used instead.** But it's worth noting that if you only have a few months' self-employment on your 2018/19 return, this will be counted as your total profit for the year.

HMRC has a set up a phone helpline to support businesses and self-employed people concerned about not being able to pay their tax due to coronavirus.

The helpline allows any business or self-employed individual who is concerned about paying their tax due to coronavirus to get practical help and advice.

You can call them on 0800 015 9559 for more information.

How can you apply to the scheme?

Those eligible will be contacted directly by HM Revenue & Customs – the British Government hasn't said when this will be, only that it will happen "once the scheme is operational". At that point you'll be asked to fill in an online form, and the grant will then be paid directly into your bank account.

If you are eligible for the scheme but can't wait until June?

Even if you are eligible for help from this scheme, it's unlikely you'll see any cash in your bank account until June at the earliest, which for many will be a struggle.

In the meantime, you can try applying for a **Business Interruption Loan**, if eligible by clicking the link: <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/>

You can also for **universal credit**, if eligible by clicking the link: <https://www.universal-credit.service.gov.uk/postcode-checker>