

Coronavirus (COVID-19)

The coronavirus pandemic is set to fundamentally change the way we live our lives. It's an anxious and upsetting time, and while the primary concern is health, our financial wellbeing is also important. Many are worrying about losing their jobs, paying their mortgages and how sick pay and benefits will work.

Your rights if you're self-employed

If you're not claiming any benefits you might be entitled to claim employment and support allowance (ESA) or universal credit to top up your income. Here's how the benefits work:

Contribution-based employment and support allowance (ESA). You can apply for this if you're directly affected by coronavirus or self-isolating according to the British Government advice. To be eligible you must have paid enough national insurance contributions in the last two to three years - national insurance credits also count. (see <https://www.entitledto.co.uk/privacy/> for full eligibility criteria)

You can get up to £73/week – the amount won't be affected by either you or your partner's savings or income, though if you get a private pension worth more than £85/week it'll be reduced.

Universal Credit. Universal credit is a payment to help with your living costs which is paid monthly. Some who are self-employed and unable to work due to coronavirus may be able to claim. Although you won't be eligible to apply if you have at least £16,000 in savings.

The standard monthly allowances are:

- If you're single and under 25: £251.77
- If you're single and over 25: £317.82
- If you're in a couple and both under 25: £395.20 (for both)
- If you're in a couple and either of you is over 25: £498.89 (for both)

As part of its response to the coronavirus pandemic the British Government is removing the minimum income floor, which means some claimants will get extra money to make up for lost earnings if they decrease due to coronavirus.

On Friday 20 March, the Chancellor Rishi Sunak announced that this will mean the self-employed can now access universal credit at a rate equivalent to statutory sick pay, which is currently £94.25 per week.

To apply for universal credit, see <https://www.gov.uk/apply-universal-credit>. For help, call the universal credit helpline: 0800 328 5644.

The British Government is also boosting the value of some benefits as part of its response to the pandemic, increasing the standard universal credit allowance and the working tax credit basic element by £1,000/year each for the next 12 months.

What new measures have been announced?

Chancellor Rishi Sunak has announced a new package of far-reaching measures to help people's finances during the coronavirus pandemic – such as increasing benefits and housing allowance and paying 80% of employees' wages if businesses are struggling.

The new measures include:

- **Paying 80% of employees' wages if they're not working due to coronavirus.** The Government will cover 80% of the wages of 'retained' employees, those who would otherwise have been laid off due to the knock-on effects of the coronavirus pandemic. The amount paid will be capped at a maximum of £2,500 a month per employee, and the money will be issued through grants which can be paid out to any employer.

The Chancellor says the scheme will be open "before the end of April", and wages will be backdated to 1st March 2020.

- **Increasing the standard universal credit allowance by around £1,000/year for 12 months.** The normal universal credit allowance depends on your individual circumstances, but if you're single and 25 or older you can get a monthly standard allowance of up to £317.82. Over a year, that's £3,813.

From Monday 6th April, all new and existing claimants will have their standard allowance increased by £20 a week for 12 months. This is in addition to planned annual increases (which haven't been announced yet).

Of course, as mentioned above there are factors to determine your eligibility to any universal credit you do get which is dependent on your earnings, whether you've got children, and other factors. One of these factors is the amount of savings you've got. If you (or your partner) have savings over £6,000 you'll get less universal credit, and if you've got savings of £16,000 or over you won't be eligible for universal credit at all.

- **Delay the next set of self-assessment tax payments to January 2021, in a bid to help the self-employed.** If you pay the majority of your tax via self-assessment, then usually you make two payments each year to pay off the previous year's tax bill, one by 31 January (when your tax return is due) and one by 31 July.

The Chancellor has announced there will be no payment due by July this tax year, allowing people more time to pay their tax bill.

The British Government is reported to be working on a support package for the Self Employed, which will hopefully be announced later this week. It is hoped that it will put the Self-employed in some form of parity with Employees.

We will bring you more information on this support package for the self-employed when we have it.