

Self-Employed Income Support Scheme (SEISS)

what it means for you

UPDATED: SEISS will open for applications on 13 May 2020 (although we believe the earliest you can make a claim is the 16 May). **Please note that this scheme is not available to individuals who trade through a Limited Company - it is for the Self-Employed only which includes sole traders and partnerships.**

SEISS will offer a taxable grant of up to 80 per cent of a self-employed person's income based on their taxable profits over the past three years, capped at £7,500 over a three-month period.

SEISS will only cover those who paid tax on trading profits of up to £50,000 of income in 2018-19.

HMRC will pay the single lump sum direct into people's bank accounts within six working days.

Individuals should not contact HMRC now. Instead, HMRC will contact you directly, ask you to fill out an online form, and then pay the grant straight into your bank account.

SEISS at a glance:

- Same level of support as PAYE employees who face redundancy because of coronavirus
- Up to 80 per cent of typical earnings capped at £7,500 altogether. Income tax and national insurance still payable
- Open to anybody with income up to £50,000 according to their 2018-19 tax return
- Money paid by HMRC straight into your bank account – no need to contact HMRC
- Available to people who make the majority of income from self-employment, i.e. if 50% of your income is from self-employment
- Only those who have – or are about to make a tax return for 2018-19 tax return – can apply

The coronavirus self-employed rescue package is based on Norway's scheme, which pays self-employed people 80 per cent of their average earnings over the previous three-year period.

What do I do now?

- Check your prior year tax returns to assess whether you are eligible on the majority trading and £50,000 trading profit conditions
- Get your tax return for 2018/19 filed if you have not yet done so
- Consider other help you may be eligible for as a self-employed worker
- If you haven't heard from HMRC in the next few weeks and you believe you are eligible then do make your application to HMRC for the grant. HMRC will be checking your eligibility against its records and there will certainly be some who are in danger of falling through the cracks

Check if you are eligible to claim

You can [use HMRC's online tool](#) to find out if you're eligible to make a claim. We can also use the online tool on your behalf if you have provided us with your Gateway ID and UTR.



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You will need your:

- Self-Assessment Unique Taxpayer Reference (UTR) number
- National Insurance number

How much you will get

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

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

HMRC will calculate your average trading profit by adding together your total trading profits or losses for the three tax years, divided by three.

The grant will be 80 per cent of your average monthly trading profits, paid out in a single instalment covering three months, and capped at £7,500 altogether.

The grant amount we work out for you will be paid directly into your bank account, in one instalment.

Documents you will need to make a claim

You will need your:

- Self-Assessment UTR
- National Insurance number
- Government Gateway user ID and password
- bank account number and sort code you want HMRC to pay the grant into (only provide bank account details where a Bacs payment can be accepted)

What if I am self-employed with my own company?

SEISS does not cover the 1.8m who are owner-managers of their companies, paying themselves mostly through dividends.

HMRC has suggested that owner-directors could apply to “furlough” 80 per cent of the PAYE element of their income via the Coronavirus Job Retention Scheme for salaried staff, while continuing to perform their legal obligations as company directors – as long as that is all they are doing.

For example somebody earning £800 per month through PAYE, this would equate to a monthly income of £640.

What if I have only just become self-employed?

The chancellor has said that SEISS will only be open only to those self-employed who have filed tax returns for the 2018-19 tax year, in order to minimise fraud.

Applying for Universal Credit in the meantime

The chancellor said that in the meantime self-employed workers can apply for Universal Credit, which has been temporarily increased to match levels of statutory sick pay (£94.25 a week) with the “minimum income floor” scrapped.

However, those applying for Universal Credit for the first time will usually have to wait for five weeks to receive a pay cheque.



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And any self-employed person with savings of £16,000 or more is not entitled to any support via Universal Credit.

Self-employed workers will also be able to claim business interruption loans worth up to £5m.

If you need any help or support please contact your relationship partner or manager.



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