

Coronavirus: Financial Support for Individuals and the Self-employed

As of 1 April 2020

Financial Support for Individuals and the Self-employed

We wanted to provide you with a breakdown of the latest financial support which the government has announced to support individuals and the self-employed. We've summarised the key financial support available below:

Self-employed Income Support Scheme

Mortgage repayment holidays

Income Tax deferral

Contributory Employment and Support Allowance

VAT deferral

Universal Credit

HMRC's time to pay helpline

Other Financial Support

As this is a very worrying time, we will continue to provide updates on the latest advice, guidance and press articles via our newsletters and **Facebook** and **LinkedIn** pages, so please do follow us for the very latest information as it develops.

If you have any questions or if you would like any further assistance, please don't hesitate to **contact us**.

Self-employed Income Support Scheme

The Self-employment Income Support Scheme (SEISS) will support self-employed individuals and members of partnerships whose income has been negatively impacted by COVID-19.

Who can apply?

Self employed individuals or members of a partnership who:

- Have submitted an Income Tax Self Assessment tax return for the tax year 2018-19.
- Traded in the tax year 2019-20.
- Are trading at the point of application or would be except for COVID-19.
- Intend to continue to trade in the tax year 2020-21.
- Have lost trading profits due to COVID-19.

Trading profits must be less than £50,000 and more than half of total income must come from self-employment or an individual's share of partnership profits. This is determined by at least one of the following conditions being true:

- Having trading profits in 2018-19 of less than £50,000 with these profits constituting more than half of taxable income.
- Having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 with these profits constituting more than half of average taxable income in the same period.

If individuals started trading between 2016-19, HMRC will only use those years for which a Self-Assess-

ment tax return was filed.

If an individual has not submitted an Income Tax Self-Assessment tax return for the tax year 2018-19, they must do so by 23 April 2020 in order to remain eligible.

HMRC will use data on 2018-19 returns already submitted to identify those eligible and will risk assess any late returns filed before the 23 April 2020 deadline in the usual way.

The scheme is not open to directors who operate through a limited company however these individuals may be able to get support for salaries paid via PAYE using the **Coronavirus Job Retention Scheme**. If this applies to you, please let us know and we can provide you with more information.

How much can be claimed?

Eligible applicants will get a taxable grant which will be 80% of the average profits from the tax years (where applicable):

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

To work out the average, HMRC will add together the total trading profit for the 3 tax years (where applicable) then divide by 3 (where applicable) and use this to calculate a monthly amount.

It will be up to a maximum of £2,500 per month for 3 months.

HMRC will pay the grant via bank transfer in one instalment. It is currently anticipated that the first payments will start being made at the beginning of June.

The grant will be backdated to the start of March and cover a three-month period to the end of May. The government has said the scheme might be extended if needed.

How to apply

HMRC will contact eligible individuals and invite them to apply online through GOV.UK. HMRC have advised that individuals should not contact HMRC in advance.

After the application has been completed

Once HMRC has received and processed eligible claims they will contact individuals to confirm the grant value and payment details.

Please note that the grant is taxable, and it will therefore need to be included on Self-Assessment tax returns. If the individual is claiming Universal Credit the grant will also need to be included with tax credit income declarations.

Be careful of scams

HMRC have also highlighted that if someone texts, calls or emails claiming to be from HMRC, saying that financial help or a tax refund can be claimed via a link or by providing personal information, it is a scam.

Income tax deferral

The government has also confirmed that Income Tax Self-Assessment payments due on 31 July 2020 for ALL individuals will now be deferred until 31 January 2021.

This is an automatic offer with no applications required. No penalties or late payment interest will be charged in the deferral period.

This deferment is optional but HMRC have asked that if an individual is still able to pay the second payment on account on 31 July 2020 then they should do so.

VAT deferral

The government have announced the **deferral of VAT payments** (excluding VAT MOSS payments) for 3 months for all UK businesses. The deferral will apply automatically from 20 March 2020 until 30 June 2020 with no applications required.

Businesses will not need to make a VAT payment during this period, and they will be given until 31 March 2021 to pay any outstanding liabilities.

HMRC have recommended that any HMRC Direct Debits should be cancelled ASAP to ensure payments are not automatically collected. VAT refunds and reclaims will be paid as normal.

HMRC's time to pay helpline

HMRC has set up a phone **helpline** to support businesses and self-employed people concerned about not being able to pay their tax due to coronavirus (COVID-19). 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.

HMRC will review arrangements based on the specific circumstances of each case but it appears that HMRC are currently offering to delay on all tax payments by up to 12 months. They will also look at suspending debt collection proceedings and cancelling some penalties and interest.

HMRC are likely to ask the following question when considering any requests for a Time to Pay arrangement:

1. Please explain what effect COVID-19 has had on the company's ability to pay its tax as it falls due; and
2. Please confirm as to how much you can pay now and then monthly thereafter to settle the liability owing.

The helpline numbers are **0800 0159 559** and **0800 024 1222**.

Opening hours are Monday to Friday 8am to 8pm and Saturday 8am to 4pm. The helpline will not be available on Bank Holidays.

If you would like us to speak to HMRC on your behalf, please just let us know and we will be happy to assist.

Mortgage repayment holidays

Landlords and individual homeowners can apply for a three-month mortgage payment holiday.

As part of the legislation, private tenants can now not be evicted from homes for at least three months if they are struggling to pay their rent. At the end of the three-month period, the government expects landlords and tenants to work together to "establish an affordable repayment plan" which considers tenants' individual circumstances.

In order to apply for the mortgage or rent holiday, we would recommend that you speak directly to your finance provider and/or landlord.

Contributory Employment and Support Allowance

You may be able to get New-style Employment and Support Allowance:

- If you are a self-employed person self-isolating on government advice and not working, or;
- If you are an employee self-isolating on government advice and not working and you usually earn less than £118 per week.

You will get this from day-one of your self-isolation. New-style Employment and Support Allowance is based on your national insurance contribution record. This means you will need to have been working for most of the period between April 2017 and April 2019.

People who need to claim ESA because of coronavirus will not have to produce a fit note.

Further details, including clarification on how to apply, can be found at [gov.uk](https://www.gov.uk).

Universal Credit

If you and your partner are now on low income or out of work and you have £16,000 or less in savings between you, you may also be able to claim elements of Universal Credit to help with living costs.

The government has announced some additional measures to support self-employed claimants:

- Self-employed are now entitled to full Universal Credit at a rate equivalent to statutory sick pay.
- From 6 April the requirements of the Minimum Income Floor will be temporarily relaxed.
- The Universal Credit allowance and the Working Tax Credit basic element will be increased by £1,000 for the next 12 months.

Applications for Universal Credit can take up to five weeks to process but there is an option to make a claim for an advance payment. Claimants will not need to attend the job centre during the pandemic.

Additional information on Universal Credit for **self-employed individuals** and **disabled individuals** can be found via The Money Advice Service website.

Further details, including full eligibility requirements, benefits calculator and details on how to apply, can be found at [gov.uk](https://www.gov.uk).

Other Financial Support

Guidance for Employees and Employers including Statutory Sick Pay

The government has published detailed guidance in respect of the support options available to employees during the Coronavirus. This can be found via [here](#).

Further guidance covering Statutory Sick Pay, including a eligibility requirements and details on how to apply, can be found [here](#).

The guidance for employers can be found [here](#), whilst full list of business support, including on how employers can reclaim **Statutory Sick Pay**.

Coronavirus Business Interruption Loan Scheme

A new temporary Coronavirus **Business Interruption Loan Scheme (CBILS)**, delivered by the British Business Bank, launched on Monday 23 March and will initially run for six months to support businesses to access bank lending and overdrafts.

This is open to most business types including sole traders, freelancers and partnerships who carry out a business activity in the UK and operate through a business bank account.

Download our latest guide for a full breakdown of the key features, eligibility criteria and steps on how to apply.

[DOWNLOAD HERE](#)

Coronavirus Job Retention Scheme

Under the Coronavirus Job Retention Scheme, all UK employers with a PAYE scheme that was created and started on or before 28 February 2020, will be able to access support to continue paying part of their employees' salary for those that would otherwise have been laid off during this crisis.

Download our latest guide for a breakdown of the scheme, the key qualification criteria and details on how to apply.

[DOWNLOAD HERE](#)

Business rates discounts and grants

The government have announced business rates holidays for businesses based in England who operate retail, hospitality, leisure or nursery business in 2020-21. There are also grants available of between £10,000 to £25,000 for businesses operating within these sectors with a rateable value under £51,000.

The government is also offering a one-off grant of £10,000 to support small businesses that already pay little or no business rates because of Small Business Rates Relief (SBRR), Rural Rate Relief or tapered relief.

There is no application process for the grants and discounts. Local authorities will contact eligible businesses directly. If you think a discount or grant may apply but you have not yet received any communications, we recommend contacting your local authority to obtain further information. Contact details can be found [here](#).

Contact Us

Please be aware that the government advice and detail surrounding the available options is changing on a daily basis. This document and the information presented is therefore accurate as of:

1 April 2020

For the latest news and advice please visit our Facebook, LinkedIn and website pages. If you have any immediate questions or if you would like to discuss any of the options further please contact us via email or give us a call on our usual office telephone numbers:

Bramley: 01483 898 400
Farnham: 01252 856 977
London: 020 7846 0084

