



COVID-19

Update 26 March 2020

Self-Employment Income Support Scheme

What is available?

A grant to self-employed individuals or partnerships, worth 80% of their profits up to a cap of £2,500 per month. This is based on your average profits for the three years ended 2018-19. The scheme is open to anyone who has

Suffered a loss of income due to COVID-19,

Whose average profits are less than £50,000 per year and

Earns the majority of their income from self-employment.

This scheme is open for three months initially and will be extended if required.

How do I get it?

You don't need to apply. HMRC will contact those who are eligible directly. It will then be paid directly into your bank account

When?

They think first payments will be early June but are aiming for earlier. This will be paid in one instalment and cover the period of the three months to May.

FAQ

What if I only just started self-employment?

If you don't have a tax return for 2018-19 then you will not be eligible for this scheme.

Check to see if you are eligible for universal credit - whilst the applications may take 5 weeks, they are currently making advance payments which can be available in days. The rules have changed on Universal Credit so please check the government website.

What if my profits exceeded £50,00 in one of the last three years?

The scheme looks at an average over the three years so as long as the average falls below £50,000 you will qualify.

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Will the income be backdated to 1 March mirroring the Job Retention Scheme?

We don't know yet.

I am getting no income now what am I supposed to do between now and June?

Check to see if you are eligible for universal credit - whilst the applications may take 5 weeks, they are currently making advance payments which can be available in days.

If you are not eligible for this, you may want to speak to your bank about a temporary overdraft to see you through until the June payments are made. Banks are being flexible in terms of reduced fees at present, so this is a good place to start. However, review what you expect your income to be from this scheme before you commit to any further debt.

Can I still earn money and apply for this?

The government website says that your income must have been negatively impacted by COVID-1 and as such you must have suffered a loss of profits due to COVID - it does not quantify by how much. It doesn't say that you can or cannot work but in his briefing Rishi Sunak referred to the self-employed being able to continue to work- we await clarity on this.

I traded for the last three years but have recently ceased and am looking for employment – do I qualify?

No, you not only have to have traded in 2018-19 but must be currently trading and planning to trade in 2020-2021.

I still haven't filed my 2018-19 tax return – what should I do?

If you file it within the next four weeks from today (26 March) this will be taken into account when assessing your eligibility and income.

Government Link <https://www.businesssupport.gov.uk/coronavirus-business-support/>

For copies of our previous updates please e-mail either

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Previous updates

18 March, 19 March, 21 March, 24 March, 26 March

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