

M+A

Partners

Coronavirus Self-Employment Income Support Scheme (SEISS)

Guidance

Information

Update
June '20

COVID-19

Support

What is the Coronavirus Self-Employment Income Support Scheme (SEISS)?

The Coronavirus Self-Employment Income Support Scheme (SEISS) is operated by the Government to deliver emergency financial support to those that are self-employed or a member of a partnership in the UK and have lost income due to Coronavirus (COVID-19).

The government launched a portal to enable self employed people to make a claim covering the period March to May 2020 inclusive and the portal for the first phase opened in mid May 2020 and closes on 13 July 2020.

A further announcement provided a “final” extension and a second tranche of funding, at a reduced level, to be made available in August, covering the period June to August.

More details on both phases of the SEISS and the dates you need to take action are set out below:

When can I make my claim for a government grant?

The government portal to submit claims is now live at GOV.UK. It is currently accepting claims for the first phase of claims only. Each eligible claimant has been given their own personalised claim date when they can submit their claim. We expect this same system to operate for the second phase of funding in August.

Log in using the link below to see the date you are able to submit your claim and whether you are eligible to claim under the SEISS. You will need to have your Unique Taxpayer Reference (UTR) and National Insurance number to hand to check your eligibility and personalised claim date:

<https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>

How long do I have to make my claim?

Self-employed individuals can continue to apply for the first SEISS grant until 13 July 2020.

Applications for a second grant will open in August 2020.

We expect that once the portal closes for the first phase grant, you will then be eligible to see your personalised claim date for the second grant.

What is the difference between the first and second SEISS grants?

- + The eligibility criteria remains the same for both grants;
 - + Individuals will still need to confirm that their business has been adversely affected by coronavirus;
 - + An individual does not need to have claimed the first grant to receive the second grant; for example they may only have been adversely affected by COVID-19 in this later phase;
 - + The taxable grant itself is different from August 2020, please see the *'How much government support will I receive?'* section; and
 - + Further guidance on the second grant will be published on Friday 12 June 2020.
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Am I eligible to claim?

If you are a self-employed individual or a member of a partnership, you should use the link set out above to check your eligibility. HMRC will identify if they recognise you as an eligible claimant.

If they recognise you as an eligible claimant, HMRC will tell you when you will be able to proceed to make your claim and ask you to add your contact details to your government gateway account so they can notify you when your personalised claim date and time arises.

To qualify for a SEISS grant, you must have:

- + Submitted your Self-Assessment tax return for the tax year 2018/19 before 23 April 2020;
- + Traded in the tax year 2019/20;
- + Be trading at the time of application, or would be except for Coronavirus;
- + Intend to continue to trade in the tax year 2020/21; and
- + Confirm to HMRC that your business has been adversely affected by Coronavirus when making your claim.

If you have amended a submitted return after 6pm on 26 March 2020, these changes will not be taken into account when calculating eligibility or amount of the grant.

What are the financial requirements my business must meet in order to qualify?

Your business must be able to demonstrate to HMRC that it has been adversely affected by Coronavirus. HMRC will check claims and take appropriate action to withhold or recover payments found to be dishonest or inaccurate.

HMRC will check your tax returns to see if you are eligible by looking at whether:

- + The trading profits for your business must be no more than £50,000; and
- + Comprise more than half of your total income for either the tax year 2018/19; OR
- + The average of the three tax years 2016/17, 2017/18 and 2018/19.

If you have not submitted Self-Assessment tax returns for all three years, you have multiple trading income streams or a trading loss in one of the years, click below to find out how the Government will calculate your eligibility:

<https://www.gov.uk/guidance/how-hmrc-works-out-total-income-and-trading-profits-for-the-self-employment-income-support-scheme#threeyears>

Are there any exceptions to the way eligibility is calculated?

Yes, there are variances to the way in which HMRC will calculate eligibility and average trading profits, these include:

Farmers Averaging Relief claims

For self-employed farmers, claiming farmers' averaging relief, HMRC will use the amount of profit **BEFORE** the impact of the averaging claims to work out:

- + If you are eligible to make a claim; and
- + How much you will receive.

Loans covered by the loan charge

If payment has been received in the form of a loan, or other form of credit covered by the loan charge, for work or services undertaken eligibility will be based on either:

- + The average of the tax years 2016/17 and 2017/18; **OR**
- + The tax year 2017/18 (if you were not self-employed in the tax year 2016/17).

If this applies to your business, then you have until 30 September 2020 to file your 2018/19 Self-Assessment tax return.

Am I still able to work whilst receiving the Coronavirus Self-employment Income Support?

- + **Yes**. If you successfully receive the grant through this scheme you can still continue to work or take on other employment, including voluntary work; and
 - + If you have other employment, as either a director or employee, which is paid through PAYE, your employer may be able to get support through the Job Retention Scheme.
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How much government support will I receive?

The scheme enables self-employed individuals or a member of a partnership to claim a taxable grant worth: 80% of their average monthly trading profits;

- + Up to a maximum of £2,500 a month for three months, so a maximum lump sum of £7,500 in total can be claimed; and
- + The grant is subject to Income Tax and Class 4 National Insurance contributions.

From August 2020 individuals or a member of a partnership will be able to claim a taxable grant worth **70%** of their average monthly trading profits;

- + Up to a maximum lump sum of £6,570 for three months' worth of profits in total can be claimed; and
 - + The grant is subject to Income Tax and Class 4 National Insurance contributions.
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How much grant will I receive from HMRC and when will it be paid to me?

Your grant will be paid to you 6 working days after you submit your claim. Your taxable grant will be based on average trading profit over the following three tax years:

- + 2016/17;
- + 2017/18; and
- + 2018/19.

HMRC will calculate your total trading profits or losses for the three tax years and divide it by three. See the detailed calculation rules below for how HMRC will calculate the amount they will pay to you:

<https://www.gov.uk/guidance/how-hmrc-works-out-total-income-and-trading-profits-for-the-self-employment-income-support-scheme>

How do I make my claim for financial support through the Coronavirus Self-Employment Income Support Scheme?

Use the new online service to check your eligibility to claim now:

<https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>

- + Self-employed taxpayers wanting to claim will need a Government Gateway account to make their claim;
- + If you do not have your own taxpayer Government Gateway then create one now; Follow this link to sign in or create your Government Gateway account:
<https://www.gov.uk/personal-tax-account/sign-in/prove-identity>

Once you have clicked on the link you will then need to:

- + Select “create an account” at the bottom of the page; then
- + Select the ‘Create a Government Gateway account’ option.

You will **ONLY** be able to claim using your Government Gateway online account.

As your tax agent, M+A Partners cannot make this claim for you as we would usually do but we can support you with your queries on your eligibility for the grant and how to make your claim. This is because claims for this grant must be made by the self employed taxpayer.

If you need help with creating your Government Gateway account then contact your usual contact at M+A Partners as a matter of urgency so we can help you through this process and your claim can be made as soon as your personalised claim date arrives.

We can provide remote support to you if you need our help in making the claim by sharing your screen as you work through the claim process with HMRC. Just ask your usual M+A Partners contact for help so you can claim your grant as soon as your personalised claim date arises.

If you receive texts, calls or emails claiming to be from HMRC, offering financial help or a tax refund and asking you to click on a link or to give personal information, it is a scam.

Remember that to claim the first phase grant you need to make your claim before 13 July 2020.

How and when will I receive the money from the government?

- + Once HMRC have received your claim and your grant is approved, your claim will be paid within 6 working days;
- + Grants will be paid in a single lump sum instalment, covering payments for the three months for which the scheme is currently applicable; and
- + Universal Credit (UC) offers an intermediary funding option, further details on UC can be found in our factsheet: <https://www.mapartners.co.uk/wp-content/uploads/2020/04/UNIVERSAL-CREDIT-FACTSHEET.pdf>

Any grant received will be treated as part of your self-employment income and may affect the amount of Universal Credit you are entitled to.

What powers do HMRC have to check the validity of my claim?

HMRC have launched a consultation on new legislation to give them powers of recovery for any incorrectly claimed coronavirus support payment. The consultation closes on 12 June and we expect to see the new legislation contained in a Finance Act likely to be passed later in the summer after an emergency Budget.

The new legislation will give HMRC recovery powers for any payment claimed to which the claimant was not fully entitled and to charge a penalty in cases where HMRC can demonstrate that the applicant has acted deliberately.

We will provide more information on this once the legislation is enacted.

We are here to help and support you in these uncertain times. Should you have any queries on the SEISS scheme then do please get in touch with your usual M+A Partners contact or email enquiries@mapartners.co.uk



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