

Self-Employed Income Support Scheme – Summary

- Scheme will provide those qualifying self-employed people with grants of up to £2,500 per month for at least 3 months.
- Those eligible will receive a cash grant worth 80% of their average monthly trading profit over the last three years (2016/17, 2017/18 and 2018/19). 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. If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return.
- You will be able to apply directly to HMRC for the taxable grant, using a simple online form, with the cash being paid directly into people's bank account.
- The scheme will be open to those with a trading profit of less than £50,000 in 2018-19 or an average trading profit of less than £50,000 from 2016-17, 2017-18 and 2018-19.
- To qualify, more than half of their income in these periods must come from self-employment.
- To minimise fraud, only those who are already in self-employment and meet the above conditions will be eligible to apply. HMRC will identify eligible taxpayers and contact them directly with guidance on how to apply.
- The income support scheme, which is being designed by HMRC from scratch, will cover the three months to May. Grants will be paid in a single lump sum instalment covering all 3 months and will start to be paid at the beginning of June.
- Individuals should not contact HMRC now. HMRC will use existing information to check potential eligibility and invite applications once the scheme is operational.
- Those who pay themselves a salary and dividends through their own company are not covered by the scheme but will be covered for their salary by the Coronavirus Job Retention Scheme if they are operating PAYE schemes.

Notes

- To be eligible for the scheme you must meet all the criteria below:
 - Be self-employed or a member of partnership;
 - Have lost trading/partnership trading profits due to COVID-19;
 - File a tax return for 2018-19 as self-employed or a member of a trading partnership. Those who have not yet filed for 2018-19 will have an additional 4 weeks from this announcement to do so;
 - Have traded in 2019-20; be currently trading at the point of application (or would be except for COVID 19) and intend to continue to trade in the tax year 2020 to 2021
 - Your self-employed trading profits must be less than £50,000 and more than half of your income come from self-employment. This is determined by at least one of the following conditions being true:

- Having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of your total taxable income; or
 - Having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of your average taxable income in the same period.
- Before grant payments are made, the self-employed will still be able to access other available government support for those affected by coronavirus including more generous universal credit and business continuity loans where they have a business bank account.
- If you claim tax credits you'll need to include the grant in your claim as income.

