

Coronavirus - help for the self-employed

You can use this scheme if you are self-employed or a member of a partnership and have lost income due to coronavirus

The key points are:

- You need to be self-employed either as an individual or a member of a partnership.
- You have been trading in the 2019/20 tax year.
- You are trading when you apply or would be but for the Coronavirus.
- You have lost trading/partnership income due to COVID-19.
- You either must have already submitted your 2018/19 Tax Return or do so by 23rd April 2020 to be eligible. In the latter case, HMRC will be risk assessing those 'late' returns.
- Your self-employed income must represent more than 50% of your total taxable income.
- Your trading profit must be less than £50,000 based upon the average of their last 3 years of trading i.e. 2016/17, 2017/18 and 2018/19.
- If you started trading between 2016 and 2019 then HMRC will only use those years for which a Self-Assessment Tax Return has been filed.
- If you started trading during the 2019/20 tax year you won't, at present, be eligible for the scheme. Universal credit and/or the Coronavirus Business Interruption Loan Scheme would be the route to go down to get support. However, pressure is already being put on the Government to relax the scheme for this issue.
- Similarly, if your average profits are £50,000 or more, you won't be eligible for the scheme.

How to work out what you can claim....

- You will receive a (taxable) grant from HMRC which is calculated as
 - A monthly amount, for a maximum of three months based upon the lower of
 - 80% of the average profit figure (for the last three tax years) divided by 12 to give a monthly amount; or
 - £2,500 per month
- The maximum monthly pay out will be £2,500.
- HMRC will pay it directly into the your bank account.

How to apply

Actually you can't! Or rather not yet and even when the scheme is up and running you will not have to apply.

HMRC will contact you if you are eligible for the scheme and invite you to apply online.

HMRC state that *Individuals do not need to contact HMRC now and doing so will only delay the urgent work being undertaken to introduce the scheme.*

Please note that you will access this scheme only through [GOV.UK](https://www.gov.uk). If someone texts, calls or emails claiming to be from HMRC, saying that you can claim financial help or are owed a tax refund, and asks you to click on a link or to give information such as your name, credit card or bank details, it is a scam.

After you have applied

Once HMRC has received your claim and you are eligible for the grant, HMRC will contact you to tell you how much you will get and the payment details. Don't forget if you claim tax credits you'll need to include the grant in your claim as income.

If you would like to read the HMRC detailed guidance on this then click on this link:
<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

Other help available

Please go to <https://www.mckmasterclass.com/coronavirus-what-support-is-available-to-keep-me-in-business/> for the full list of support and <https://www.mckmasterclass.com/coronavirus-job-retention-scheme/> for the details on the Job Retention Scheme

As and when further announcements / updates are made we will let you know.

Chris & Paul
McKellens
Chris.booth@mck.co.uk
Paul.roper@mck.co.uk
0161 947 4888