

Self-Employment Income Support Scheme (SEISS)

In his Budget earlier this month Chancellor Rishi Sunak confirmed that the Self-Employment Income Support Scheme (SEISS) has been extended, with two further grants available this year. In a change to the previous qualifying criteria, the fourth grant will take into consideration 2019-20 tax returns. This means that it is now claimable if you became newly self-employed from 6 April 2019.

According to HMRC you can claim the fourth grant if you are a self-employed individual or a member of a partnership. Your trading profits for the tax year 2019-20 must be no more than £50,000 and at least equal to your non-trading income. You must have traded in both 2019-20 and 2020-21 and submitted a self-assessment tax return for 2019-20 before midnight 2 March 2021. If you are not eligible based on your 2019-20 tax return, HMRC will take into consideration the tax years from 2016-2017 onwards as well. Your business must be currently trading but has been impacted by reduced demand due to coronavirus, or alternatively has been trading but is no longer able to do so due to coronavirus.

You must also declare that you intend to continue to trade and that you reasonably believe there will be a significant reduction in your trading profits due to reduced business activity, capacity, demand or inability to trade due to coronavirus.

The fourth grant will be 80% of three months' average trading profits and can be claimed

from late April 2021 until 31 May. Payment will be in a single instalment capped at £7,500 in total and will cover the period February to April 2021.

The fifth and final grant will cover the period from May to September 2021. The amount of the grant will depend on the impact that coronavirus has had on your profits. If your turnover has fallen by 30% or more because of coronavirus, you will be able to claim a grant equal to 80% of your average profits for three months, capped at £7,500. However, if your turnover has dropped by less than 30%, you will be entitled to a reduced grant of 30% of three months' average profits, capped at £2,850.



This final grant can be claimed from late July. At present, the scheme is timed to end 30 September 2021.

Along with the Coronavirus Job Retention Scheme (CJRS) being extended until 30 September, a continuation of 100% business rates relief for eligible retail, hospitality and leisure properties, the Recovery Loan Scheme, Restart Grants and the reduced VAT rate for hospitality sector; there is still a lot of help available to businesses at this difficult time. Please speak to your accountant if you need any advice or help applying.

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