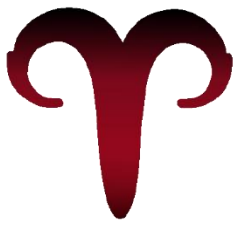




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# Self-employment Income Support Scheme

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## Self-employment Income Support Scheme

This article was written by Croner Taxwise and permission has been provided to share.

On Thursday 26 March the government announced their intention to provide further support for the self-employed in the form of a taxable cash grant.

The scheme allows individuals to claim a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the 3 months from March to May 2020. This may be extended if needed.

The taxable cash grant will be in the form of a single lump sum to cover the three months from March to May 2020. It will be paid in June 2020 to those that are eligible directly into their bank account.

The self-employed including members of Partnerships will be eligible if their trading profits for 18/19 were less than £50,000 and more than 50% of their income stems from self-employment.

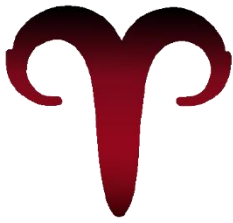
Alternatively, they will be eligible if their average trading profits for the tax years 16/17, 17/18 and 18/19 were less than £50,000 and more than 50% of their income stems from self-employment. For those that started trading between 2016-19 HMRC will only use those years for which a Self-Assessment tax return has been filed.

The scheme will be open to those that have submitted an income tax self-assessment tax return for the year to 5 April 2019 (the 18/19 tax year). Worth noting that HMRC's guidance does state that the 18/19 tax return must be filed by 23 April 2020 in order to be eligible! For those that have yet to file their 18/19 tax return, it represents something of an opportunity.

Additional eligibility criteria include the requirement that the individual must have lost trading profits due to Covid-19 and they must have traded in 2019/2020, intend to trade in 2020/2021 and are trading at the point of application or would have been except for Covid-19.

Individuals that claim Tax Credits would need to include the grant as part of their income.

It is crucial to observe that HMRC will contact and invite those that are eligible to apply. Applications will need to be made online when the invitations have been issued by HMRC.



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Individuals do not need to contact HMRC now.

This seems an opportune moment to remind readers that HMRC does not send texts or make calls asking for bank or credit card details. If this happens then it is likely to be a scam. Please be wary.

We will update this guidance as and when HMRC issue further guidance of their own.

27 March 2020



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