

# COVID – 19

## Self- employment Income Support Scheme

This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months. This may be extended if needed.

## Who can apply

The following Qualifying conditions must be satisfied

You:

- Have submitted your Income Tax Self Assessment tax return for the tax year 2018-19 or you will submit your return by 23 April 2020.
- Have traded in the tax year 2019-20.
- Are trading when you apply or would be except for COVID-19.
- Intend to continue to trade in the tax year 2020-21.
- You have lost trading/partnership trading profits due to COVID-19.
- Your self-employed trading profits must also be less than £50,000.

Additionally, more than half of your income comes from self-employment.

One of the following conditions must be met:

1. Your trading profits/partnership trading profits in 2018-19 was less than £50,000. and these profits constitute more than half of your total taxable income
2. Your average trading profits in 2016-17, 2017-18, and 2018-19 are less than £50,000.

In either case, the profits in 1. or 2, constitute more than half of your average taxable income in the same period.

If you have not submitted your Income Tax Self-Assessment tax return for the tax year 2018-19, you must do this by 23 April 2020.

HMRC will use data on 2018-19 returns already submitted to identify those eligible and will risk assess any late returns filed before the 23 April 2020 deadline in the usual way.

## How much you'll get

You'll get a taxable grant which will be 80% of the average profits from the tax years (where applicable):

2016 to 2017

2017 to 2018

2018 to 2019

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.

It will be up to a maximum of £2,500 per month for 3 months.

## How to apply

You cannot apply for this scheme yet.

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

You will access this scheme only through 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've applied

Once HMRC has received your claim and you are eligible for the grant, we will contact you to tell you how much you will get and the payment details.

If you claim tax credits you'll need to include the grant in your claim as income.

### illustration -1

Mr C became self-employed on 01/01/2016 and his taxable profits are as follows.

2016 to 2017 – £20,000  
2017 to 2018 – £25,000  
2018 to 2019 – £30,000



The available grant is the lower of

- (a) 80% of £2,083.33, and
- (b) £2,500

As Mr C has been trading over the last three years continuously, his average monthly trading profit is £2,083.33 (i.e.  $\{(20,000+25,000+30,000)/36\}$ )

In this case, Mr C can receive £1,666.66 (i.e. 80% of £2,083.33) per month for three months initially or more if the grant period is extended further.

### illustration -2

Mr D became self-employed on 01/12/2016 and his taxable profits are as follows.

2016 to 2017 – £20,000  
2017 to 2018 – £35,000  
2018 to 2019 – £40,000



The available grant is the lower of

- (a) 80% of £3,392.85, and
- (b) £2,500

As Mr D has been trading since 01/12/2016, he has traded for 28 months till 31/03/2019 and his average monthly trading profit is £3,392.86 (i.e.  $\{(20,000+35,000+40,000)/28\}$ )

In this case, Mr D can receive only £2,500 per month for three months initially as £2,714.28 (i.e. 80% of £3,392.86) is greater than the cap of £2,500

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