



# Self-employment Income Support Scheme

## What is it?

The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) whose income has been negatively impacted by Covid-19. The next two grants will be payable covering the period November 2020 – January 2021 and February 2021 – April 2021.

The grant covering the period November 2020 – January 2021 will be calculated as 80% of 3 months average monthly trading profits, paid out in a single instalment and capped at £7,500 in total. The value of the grant covering the period February 2021 – April 2021 will be set by the Government in due course.

## Who is eligible?

To be eligible for the scheme you must meet the following criteria:

- Be self-employed or a member of a partnership;
- Have lost trading / partnership profits due to Covid-19;
- Have filed a tax return for 2018-19;
- 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 2020/21;
- Have trading profits of less than £50,000 and more than half of your total income from self-employment. The trading profits limit can be calculated using one of the following methods:
  - Trading profits in 2018/19 is less than £50,000
  - Average trading profits across up to 3 years between 2016/17, 2017/18 and 2018/19 is less than £50,000.
- You do not need to have claimed the first two grants under the scheme but must have been eligible for them under the above criteria.

## How HMRC works out total income and trading profits?

### Trading profits

HMRC will use the figures on your tax returns for your total trading income (turnover) and will then deduct any allowable business expenses and capital expenditure.

Allowable expenses include:

- Office costs
- Travel costs
- Clothing expenses
- Staff costs
- Things you buy to sell on such as stock and raw materials
- Financial costs such as bank charges
- Costs of your business premises, such as heating, lighting and business rates
- Advertising or marketing
- Training courses
- Any business expenses deducted through the trading allowance
- Capital allowances, used to buy assets used in your business
- Qualifying care relief
- Flat rate expenses



# Self-employment Income Support Scheme

HMRC will not deduct from trading profits:

- Any losses carried forward from previous years
- Your personal allowance

If you have more than one trade in the same tax year the HMRC will add together all profits and losses for these trades to work out your trading profit.

## Total income

Your total income is the total of the following:

- Income from earnings
- Trading profits
- Property income
- Dividends
- Savings income
- Pension income
- Miscellaneous income (including social security income)

## How do I access it?

The online service for the next grant will be available from 30 November 2020 and HMRC will provide full details about claiming and application in guidance to be published in due course.

To make previous claims the following was needed:

- Self-Assessment UTR
- National Insurance number
- Government gateway user ID and password – if you do not have a user ID you can create one when you check your eligibility online
- Bank account number and sort code for the grant to be paid into.

Individuals will need to confirm to HMRC that their business has been adversely affected by coronavirus.

The grant will be reported on the Self-Assessment tax return.