



Advice sheet – for use by Essex Tennis

Self-employment Income Support Scheme

The government approved scheme is open to self-employed individuals or a member of a partnership that has lost income due to the Coronavirus pandemic. The scheme will allow a claim on a taxable grant worth 80% of their trading profits up to a maximum of £2,500 per month for the next 3 months. This may be extended if needed.

See some tips below:

1/ You can apply if you are a self-employed individual or member of a partnership and have:

- * Submitted a self-assessment tax return for the tax year 2018-19.
- * 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.
- * Have lost trading/partnership trading profits due to COVID-19.

2/ Self-employed trading profits must also be less than £50,000 and more than half of income from self-employment. This is determined by at least one of the following conditions:

- * Having trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of total taxable income.
- * Having average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of average taxable income in the same period.

3/ If trading started between 2016-19, HMRC will only use those years for which a tax return was filed.

4/ If no self-assessment tax return has been submitted for the tax year 2018-19, it must be done by 23 April 2020.

5/ 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.

6/ A taxable grant will be received which will be 80% of the average profits from the tax years (where applicable):

- * 2016 to 2017
- * 2017 to 2018
- * 2018 to 2019

7/ 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. As stated above, it will be up to a maximum of £2,500 per month for 3 months.

8/ HMRC will pay the grant directly into the self-employed worker's bank account in one instalment.

9/ The scheme is not open yet. HMRC will be in contact with those eligible for the scheme and invite them to apply online. The scheme will be available via GOV.UK.

10/ Once HMRC has received the claim and they are eligible for the grant, HMRC will contact the self-employed worker to tell them how much they will receive and the payment details. It isn't expected that the scheme will be up and running before June 2020! They need to know this and manage their cash flow for the next few months.

11/ If the self-employed worker claims tax credits, they will need to include their grant in their claim as income.

12/ Other assistance for the self-employed:

- * Deferral of self-assessment income tax payments due in July 2020 and VAT payments due from 20 March 2020 until 30 June 2020.
- * Grants for businesses that pay little or no business rates.
- * Increased amounts of Universal Credit.
- * Business Interruption Loan Scheme.
- * If they or you're a director of your own company and paid through PAYE you may be able to get support using the Job Retention Scheme.

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The information contained within this advice sheet is intended for guidance only. It is based on our understanding of current legislation and is correct at the time of going to press. No liability is accepted by The Hudson Partnership for actions taken in reliance upon the information given and it is recommended that professional advice should be taken.



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