

SELF EMPLOYMENT INCOME SUPPORT SCHEME

The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) who have been adversely affected by coronavirus (COVID-19).

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 a 3 month period.

Eligibility

Self-employed individuals or members of a partnership can apply if:

- ◆ you have submitted your Income Tax Self-Assessment tax return for the tax year 2018-19 on or before 23rd April 2020
- ◆ you traded in the tax year 2019-20
- ◆ you intend to continue to trade in the tax year 2020 to 2021
- ◆ you carry on a trade which has been adversely affected by coronavirus

Your business could be adversely affected by coronavirus if, for example:

- ◆ you are unable to work because you:
 - ◆ are shielding
 - ◆ are self-isolating
 - ◆ are on sick leave because of coronavirus
 - ◆ have caring responsibilities because of coronavirus
- ◆ you've had to scale down or temporarily stop trading because:
 - ◆ your supply chain has been interrupted
 - ◆ you have fewer or no customers or clients
 - ◆ your staff are unable to come in to work

You should not claim the grant if you're above the state aid limits or operating a trade through a trust.

To be eligible for the SEISS an individual's trading profits must be no more than £50,000 and more than half of their total income for 2018 to 2019. If you are not eligible based on the 2018 to 2019 Self-Assessment tax return, HMRC will then look at the tax years 2016 to 2017, 2017 to 2018, and 2018 to 2019.

Total Income is defined as all of the following:

- income from earnings
- trading profits
- property income
- dividends
- savings income
- pension income
- miscellaneous income (including social security income)

If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return.

Checking your eligibility

You can check if you are eligible by using HMRC's online tool : [click here](#)

If you are eligible, HMRC will tell you the date you will be able to make a claim from and ask you to add your contact details. HMRC will use these to remind you when the online service will be available.

If you are not eligible, you can ask HMRC to review this after you have used the online tool. If you want to do this at a later time, you will be able to use the online tool more than once.

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Other circumstances affects your eligibility

HMRC has provided guidance on how different circumstances may affect your eligibility, including for the following:

- ◆ if your return is late, amended or under enquiry
- ◆ if you are a member of a partnership
- ◆ if you are on or took parental leave
- ◆ if you have loans covered by the loan charge
- ◆ if you claim averaging relief
- ◆ if you are non-resident or chose the remittance basis
- ◆ if you are above the state aid limits

The guidance is available : [here](#)

How much can you claim?

HMRC will pay a taxable grant which will be 80% of the average trading 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 will HMRC determine trading profits:

- ◆ HMRC will use the figures on your self-assessment tax returns to determine total trading income (turnover), and then deduct any allowable business expenses and capital expenditure.
- ◆ Allowable expenses includes: office costs, travel costs, clothing expenses, staff costs, things bought and sold on, financial costs, costs of business premises, advertising or marketing, training courses. It will also include: any business expenses deducted through the trading allowance, capital allowances, qualifying care relief and flat rate expenses.
- ◆ HMRC will not deduct the following from trading profits:
 - any losses carried forward from previous years; and
 - personal allowance.

If you have traded for more than one year, HMRC will add together all profits and losses for all tax years they have had continuous trade to determine your average trading profits.

If you have not submitted a Self-Assessment tax returns for all 3 years, HMRC will work out the individuals average trading profit based on continuous periods of self-employment, which will be either:

- ◆ the tax years 2017 to 2018 and 2018 to 2019
- ◆ the tax year 2018 to 2019 only, even if your self-employed in the tax year 2016 to 2017

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

Reporting the grant

You will need to report the grant:

- ◆ on your Self-Assessment tax return
- ◆ as self-employed income for any Universal Credit claims
- ◆ as self-employed income and that you are working 16 hours a week for any tax credits claims

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How to claim	<p>The online service will be available from 13th May 2020. If you are eligible, HMRC will tell you the date you can make your claim from.</p> <p>You will only need your:</p> <ul style="list-style-type: none">○ Self-Assessment UTR○ National Insurance number○ Government Gateway user ID and password○ bank account number and sort code <p>You will have to confirm to HMRC that your business has been adversely affected by coronavirus. If you claim the grant HMRC will treat this as confirmation you are below the state aid limits.</p> <p>HMRC will check claims and take appropriate action to withhold or recover payments found to be dishonest or inaccurate.</p>
After submitting a claim	<p>Once you have submitted your claim, you will be told straight away if your grant is approved. HMRC will pay the grant into your bank account within 6 working days.</p> <p>The grant for the three months period will be paid directly into your bank account, in one instalment.</p>
Link	<p>Claim a grant through the coronavirus SEISS</p> <p>How HMRC works out total income and trading profits for the SEISS</p> <p>How different circumstances affect the SEISS</p>

ASM is geared to continue operating at full capacity at present and are therefore available to assist your needs. We will continue to monitor the ongoing situation to provide our clients with the information we consider will support them and may benefit them at this time.

However, if you have any specific queries that you need assistance with, please do not hesitate to contact our offices and you will be directed to the appropriate person for help.

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