



Whittles Guide to the Coronavirus self-employed income support scheme (SEISS)

Updated June 2020

The SEISS scheme, announced in May, aims to support self-employed workers in a similar way to the coronavirus job retention scheme for furloughed employees.

When launched it offered self-employed people a taxable grant of 80% of their monthly trading profits up to £2,500.

The scheme applies to the self-employed, members of a partnership and freelancers with a majority of their income from self-employment.

The SEISS is only on offer to those with trading profits of up to £50,000.

Those new to self-employment in the 2018-19 tax year will be considered.

The payments are a grant, not a loan and will form part of taxable income for the year.

HMRC will use the average trading profits from tax returns in 2016-17, 2017-18 and 2018-19 to determine the size of the grant; the maximum payment each month will be £2,500.

To qualify for the grant, applicants must have already submitted a tax return for 2018-19. The scheme's initial extended deadline for those who with late returns has now passed.

Successful applicants benefit from a lump sum to cover three months, and payments are capped at £7,500 in total.

However, on the 29 May, the government announced it was extending the Self-Employment Income Support Scheme, with those eligible able to claim a second and final taxable grant in August, worth 70% of their average monthly trading profits and capped at £6,570

Individuals can continue to apply for the first SEISS grant until 13 July.

Applications for the second grant will open in August.

The eligibility criteria are the same for both grants, and individuals will need to confirm that their business has been adversely affected by coronavirus. An individual does not

need to have claimed the first grant to receive the second grant: for example, they may only have been adversely affected by COVID-19 in this later phase.

On 12 June HMRC published examples to show when the “adversely affected” criteria for the first and second SEISS grants will be met. It confirms that those who are self-employed and able to return to work as normal in June will not be eligible for a second grant, although they can claim a grant for the first period.

Your business could be deemed to 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
- have 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

While eligibility for the second grant is the same as the first grant, please note that it is a separate claim and those claiming will have to confirm their business has been adversely affected by COVID-19 on or after 14 July 2020.

Full details of the scheme can be found on the government’s website. Click [here](#).

If you would like to discuss how the scheme may be of relevance to your business, please contact [Rachel Skells](#), [Michael Greene](#) or your usual Whittles contact