



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

Updated 11 November 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. Read latest policy paper [here](#).

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.

On the 5th November the government announced a third self-employed income support scheme (SEISS) grant covering November to January calculated at 80% of average trading profits, up from 55%, and once again to a maximum cap of £7,500.

This follows the announcement on the 29 May, in which the government extended the Self-Employment Income Support Scheme, with those eligible able to claim a second and at the time, thought to be a final taxable grant in August, worth 70% of their average monthly trading profits and capped at £6,570

This second round of the self-employed income support scheme (SEISS) was less generous than the first, which closed on 13 July. While the first scheme covered 80% of

average trading profits up to £2,500 per month, this scheme's second cap was set at 70%, up to £2,190 per month

ELIGIBILITY

The eligibility criteria are the same for all three 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 third grant is the same as the first and second grant, please note that it is a separate claim and those claiming will have to confirm once again that their business has been adversely affected by COVID-19.

SEISS REPAYMENT GUIDELINES

HMRC has published [guidance](#) detailing the process to take if you have incorrectly applied and received a grant through the government's self-employment income support scheme (SEISS).

If a person has been paid a grant by the UK Government, which they were not entitled to and have not repaid, they must have contacted HMRC within the notification period, which ended on 20 October 2020, or 90 days after you received the grant.

Once notified, HMRC may conduct an assessment for the amount given, which needs to be paid back within a 30-day period.

According to the guidance, late payment penalties may apply where payments are not made within the timeframe. Penalties may also be charged if it is revealed the grant claim was ineligible and HMRC was not made aware within the time period above.

If this was an "innocent error", however, and the person is not aware of the claim, additional penalties may not be charged as long as the amount is paid by 31 January 2022. 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