



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

Updated March 2021

At the Budget it was confirmed that the fourth SEISS grant will be set at 80% of 3 months' average trading profits, paid out in a single instalment, capped at £7,500. The fourth grant will take into account 2019 to 2020 tax returns and will be open to those who became self-employed in tax year 2019 to 2020. The rest of the eligibility criteria remain unchanged.

Your eligibility for the scheme will now be based on your submitted 2019 to 2020 tax return. This may also affect the amount of the fourth grant which could be higher or lower than previous grants you may have received.

To be eligible for the fourth grant you must be a self-employed individual or a member of a partnership.

To work out your eligibility HMRC will first look at your 2019 to 2020 Self Assessment tax return. Your trading profits must be no more than £50,000 and at least equal to your non-trading income.

If you're not eligible based on your 2019 to 2020 Self Assessment tax return, we will then look at the tax years 2016 to 2017, 2017 to 2018, 2018 to 2019 and 2019 to 2020.

You must also have traded in both tax years:

- 2019 to 2020 and submitted your tax return by 2 March 2021
- 2020 to 2021

You must either:

- be currently trading but are impacted by reduced demand due to coronavirus
- have been trading but are temporarily unable to do so due to coronavirus

You must also declare that:

- you intend to continue to trade
- you reasonably believe there will be a significant reduction in your trading profits due to reduced business activity, capacity, demand or inability to trade due to coronavirus

The SEISS scheme, announced in May 2020, 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.

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 fourth grant is the same as the first, second and third 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