



## Thomas More Chambers

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### **UPDATE to the Self-Employment Income Support Scheme**

*This article should be read in conjunction with our initial article on this subject: [The Self-Employment Income Support Scheme](#) dated 29 April 2020.*

#### **Introduction**

From 4 May 2020, HMRC has begun contacting the 3.5 million people who may be eligible for the Self-Employment Income Support Scheme (“the Scheme”). The current guidance can be found here: <https://www.gov.uk/government/news/self-employed-invited-to-get-ready-to-make-their-claims-for-coronavirus-covid-19-support>

From 13 May 2020, the claims service under the Scheme will be open.

#### **Updates**

##### *Online tool*

HMRC has introduced an online tool for anybody who considers they might be eligible for the Scheme to check their eligibility.

This tool can be found here: <https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>

It is important to remember that the Scheme still involves claimants being first contacted by HMRC and then invited to make a claim, rather than claimants being free to initiate their



own claims. It appears that HMRC expects to contact around 3.5 people considered to be potentially eligible under the Scheme. Where a claimant is found to be ineligible, HMRC has said that it will signpost them to other sources of potential financial support such as income tax support, rental support or universal credit.

#### *Claims service opens*

The updated guidance states that claims will be paid out by 25 May 2020, or within six working days of a completed claim being submitted.

The recent launch of the Job Retention Scheme (covering furlough and PAYE staff) was widely seen as a success, with the digital claims infrastructure seemingly coping well with demand. It has been reported that up to 3 million workers are now covered under that scheme.

It has been reported that HMRC will provide those claimants unable to make a claim online with an alternative way to do so. However, details of this alternative route have not yet been published.

#### *For claimants with different circumstances*

HMRC issued new guidance on 1 May 2020 dealing with a range of different circumstances. The guidance can be found here: <https://www.gov.uk/guidance/how-different-circumstances-affect-the-self-employment-income-support-scheme>

These include:

- (i) *If return is submitted late, amended or under enquiry.* Claimants submitting returns for tax year 2018 to 2019 on or before 23 April 2020 will be unable to claim. Claims based on returns submitted between 26 March and 23 April 2020 will be subject to additional anti-fraud checks. This is consistent with the Chancellor's public emphasis on mitigating against fraud in all of the schemes wherever possible.
- (ii) *Member of partnership.* Each partner in partnership must make a claim based on their own circumstances.



- (iii) *Parental leave.* If a claimant is self-employed but taking a break because of a new baby or adoption, he may be eligible under the Scheme because HMRC will treat him as still trading.
- (iv) *Loan charge.* Claimants who have not agreed a settlement with HMRC before 20 December 2019 may be eligible.
- (v) *Averaging relief.* If a claimant is a self-employed farmer or market gardener, or creative author or artist, HMRC will use the amount of profit before impact of the averaging claims.
- (vi) *Non-residents.* May be eligible if either a non-resident in the UK or resident in the UK and have chosen the remittance basis. Claimants will have to confirm to HMRC that trading profits are at least equal to other worldwide income.
- (vii) *Above state aid limits.* The Scheme is a state aid under the European Commission's Temporary Framework, which has been designed to respond to Covid-19. Claimants must not exceed the state aid limits in receiving it. This includes any aid the claimant receives across all measures granted under the terms of the Temporary Framework.

#### *Trading profits and non-trading income*

HMRC has published separate guidance on how it calculates these. This guidance can be found here: <https://www.gov.uk/guidance/how-hmrc-works-out-total-income-and-trading-profits-for-the-self-employment-income-support-scheme>

#### *Will the Scheme be extended?*

The guidance has previously suggested that the Scheme could run for up to 3 months. The original timetable would therefore have run to August 2020. However, the Job Retention Scheme was recently extended to September 2020 (albeit at a reduced 60% rate of salary, down from 80%). It may be possible that the self-employment scheme will be extended in a similar fashion.

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