

GURYEL & CO

Chartered Accountants & Registered Auditors

Announced 26th March 2020

Self-Employed Income Support – Covid 19

The Chancellor has set out a package of temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by COVID-19.

- A **taxable grant** has been announced worth 80% of their average monthly profits of the last 3 years based on their tax returns (or whatever you have eg 1, 2 or 3 years)
- This scheme will initially be for 3 months but will be extended if necessary
- The HMRC are building a new system to deal with the claim and hope to have this ready by 1st June 2020. The payment you receive will be backdated and so you will receive 3 months payment.
- This is only open to individuals who submitted a tax return for 2018/19 tax year
- The government have extended this to individuals who missed the 31/1/2020 deadline as long as they file their return within the next 4 weeks (4 weeks from 26/3/2020)
- The Chancellor has suggested that this generous aid package will mean that future tax legislation may need to take into account a way of equalising the tax treatment of the self-employed and

employed. I think this may mean an increase in NI for the self-employed.

- Individuals who have only just become self-employed can only access social benefits as they have no historical income information for HMRC to base a grant on
- HMRC will be contacting you if you are eligible with details of a simple application process
- This grant will only be open to those self-employed individuals who have trading profits of up to £50,000