**Last updated 1 June 2020**

The UK Government released guidance on the Self-Employed Income Support Scheme on 14th April 2020.

The summary below sets out the key aspects of the scheme as well as areas which additional guidance will be required.

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| **Self-Employed Income Support Scheme** |
| **What is it?** | The scheme provides support for self-employed individuals or members of a partnership.It provides a taxable grant worth 80% of your trading profits up to a maximum of £2,500 a month. It was originally available for 3 months, but has now been extended for a further 3 months but at a lower rate of 70% of trading profits up to a maximum of £2,250 a monthThe grant will be subject to Income Tax and National Insurance contributions but does not need to be repaid.If you receive the grant you can continue to work or take on other employment including voluntary work. |
| **Who can claim?** | Your **trading profits must also be no more than £50,000 and more than half of your total income** for either:* the tax year 2018 to 2019
* the average of the tax years 2016 to 2017, 2017 to 2018, and 2018 to 2019

**Total income** includes:* income from earnings
* trading profits
* property income
* dividends
* savings income
* pension income
* miscellaneous income (including social security income)

You can claim if you’re a self-employed individual or a member of a partnership and you:* have submitted your Self-Assessment tax return for the tax year 2018 to 2019
* traded in the tax year 2019 to 2020
* are trading when you apply, or would be except for coronavirus
* intend to continue to trade in the tax year 2020 to 2021
* have lost trading profits due to coronavirus

You will need to confirm to HMRC that your business has been adversely affected by coronavirus.  |
| **What grant will I receive?** | The initial grant is 80% of your average trading profit, divided by 12 which will give a monthly amount. The profit will be averaged over the three previous tax years. For example:*£60,000 profit in tax year 2016 to 2017**£60,000 profit in tax year 2017 to 2018**£30,000 loss in tax year 2018 to 2019**Average trading profit = (£60K + £60K - £30K)/3 = £30K*The UK government will pay this or up to a maximum of £2,500 a month, whichever is lowerThe second grant will reduce to 70% of monthly average trading profits and will be capped at £2,250 per month. |
| **How is the average trading profit calculated** | Trading profits is defined as total trading income less any allowable business expenses.Allowable expenses include the usual items e.g. office costs, travel costs, staff costs, stock and raw materials, financial costs, costs of your business premises, advertising or marketing, training courses.Expenses also include:* any business expenses deducted through the trading allowance
* capital allowances, used to buy assets used in your business
* qualifying care relief
* flat rate expenses

You cannot carry forward loses carried from previous years.Personal allowances will not be deducted from you trading profits |
| **What if I haven’t traded for three years?** | Your average trading profit will be based on continuous periods of self-employment.For example:If you did not trade in tax year 2016 to 2017 but made:£25,000 of profit in tax year 2017 to 2018£45,000 of profit in tax year 2018 to 2019Average trading profit = (£25k+ £45K)/2 = £35K |
| **What if I have more than one trade in the same tax year?** | The profits and losses for all these trades will be added together to work out your trading profit.It is not clear yet whether loss relief restrictions will be included when offsetting losses and profits from different trades |
| **I claim farmers’ averaging relief – how does that impact it?** | HMRC will use the amount of profit **before** the impact of the averaging claims to work out whether you are eligible and how much your grant may be. |
| **How can I claim?** | The first grant is currently open for eligible individuals and you must make your claim by 13th July 2020.HMRC have released a tool which allows you to check eligibility:<https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>If you’re eligible, HMRC will direct you to the claim portal and you’ll receive your payment within 6 working days.If you’re unable to claim online you can call HMRC on 0800 024 1222,The second grant is expected to open for claims in August 2020 and further information is to be published on 12th June 2020 |
| **What if I disagree with the eligibility or claim amount?** | If you disagree with either the eligibility status or the grant awarded you can request that HMRC review their decision:* Eligibility Status review: This is available via an online form on the eligibility checker
* Award amount: You can complete in a review form via the government gateway online system

https://www.access.service.gov.uk/login/signin/creds |