

Self-Employed Individuals*	
<p><b>If you are self-employed or a member of a partnership and:</b></p>	<ul style="list-style-type: none"> <li>▪ Have submitted an income self-assessment for the tax year 2018-19</li> <li>▪ Traded in the year 2019-20</li> <li>▪ Are trading, or would be except for Covid-19</li> <li>▪ Intend to continue to trade in 2020-21</li> <li>▪ Lost trading/partnership profits due to Covid-19</li> </ul>
<p><b>Self-Employed profits must be less than £50,000 and more than half of an individual's income must come from self-employment.</b></p>	<p><b>This value is calculated by meeting at least one of the conditions below for an individual to:</b></p> <ul style="list-style-type: none"> <li>▪ Have trading profits in 2016-17, 2017-18 and 2018-19 of less than £50,000 and these profits constitute more than half of taxable income</li> <li>▪ Have average trading profits in 2016-17, 2017-18 and 2018-19 of less than £50,000 and these profits constitute more than half taxable income</li> <li>▪ If you had started trading from 2016-17 then HMRC will use those self-assessment returns for those years of trading</li> <li>▪ If for some reason you have not submitted a tax return for the TY 2018-19 then they must submit by the 23rd April 2020</li> </ul>
<p><b>How much will individuals receive?</b></p>	<p><b>The government will provide a taxable grant of 80% of the average profits from the tax years (where applicable):</b></p> <ul style="list-style-type: none"> <li>▪ 2016-17</li> <li>▪ 2017-18</li> <li>▪ 2018-19</li> <li>▪ To calculate the average amount HMRC will add together the total trading profit for the 3 tax years (as applicable) and then divide by 3 (as applicable) and use this figure to calculate the monthly amount</li> </ul> <div style="border-left: 1px solid black; padding-left: 10px; margin-left: 20px;"> <ul style="list-style-type: none"> <li>▪ It will be up to a maximum of £2,500 per month for three months. This will be paid directly to an individual's bank account</li> <li>▪ HMRC will contact eligible individuals directly and ask them to apply online. HMRC will then contact the individual to confirm how much is payable and confirm payment details</li> <li>▪ The infrastructure around this does not yet exist so at this point HMRC are asking not be contacted directly. HMRC will make the initial contact</li> </ul> </div>
<p><b>Self-employed individuals that operate through personal service companies, e.g. IT contractors.</b></p>	<p><b>Are not be eligible under this scheme but could qualify under the "Coronavirus Job Retention Scheme" under which the government will pay 80% of salary for employees (paid under PAYE):</b></p> <ul style="list-style-type: none"> <li>▪ Same threshold of £2,500 per month applies for up to three months</li> <li>▪ It works under the PAYE system but in reverse</li> <li>▪ Guidelines as to how this will work are to be announced shortly</li> </ul>

This government announcement can be found at:

[www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme](http://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme)