

Self Employed Income Support Scheme (SEISS) Extension

General Notes

- The first claim covers an individual whose trade has been 'adversely affected' by Covid-19 up to and including 13th July 2020.
- Individuals who have not made the first claim have until 13th July to do so.
- The individual can make the second claim even if they did not make the first one. This might be due to being out of time in which to make a claim or it may be their business was not 'adversely affected' by Covid-19 up to 13th July but was post that date.
- The claim portal will be open in August to make a claim. No specific date provided.
- The claim will be based upon 70% not 80% up £6570 calculated on a 3 month period.
- The grant is taxable and should be reflected in the accounting period the grant is received.
- The criteria for the second claim is the same as the first one.
- The individual will have to confirm that their business has been 'adversely affected' by Covid-19.
- The individual has to make the claim rather than the accountant.

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Adversely Affected examples

HMRC has just provided a wider set of examples of what might constitute a business being 'adversely affected'.

- A) The business owner is unable to work because they are:
- Shielding.
 - Self-isolating.
 - On sick leave because of the Coronavirus or having caring responsibilities because of it.
- B) The business has had to scale down or temporarily stop trading because:
- The supply chain has been interrupted.
 - There are fewer or no customers or clients.
 - The staff are unable to work.

The list is not an exhaustive one. Another example might be the additional costs incurred to enable the business to comply with the physical distancing rules.

Self-employed parental leave

The present eligibility criteria is as follows:

- a) With the exception of those self-employed who are caught by the loan charge issue, they must have submitted their 2018/19 Self-Assessment Returns by 23rd April 2020.
- b) 'Trading profits' must be no more than £50,000 **and** equal to, or more than, half of the individual's 'total income' for either:
- i) The 2018/19 tax year
 - ii) The average of the tax years 2016/17, 2017/18 and 2018/19.
 - iii) If the business did not trade in the 2016/17 tax year, the average of the tax years 2017/18 and 2018/19.
- c) The business must have been trading pre 2019/20 tax year.
- d) The business must be continuing to trade or would be but for the coronavirus.
- e) The business must be intending to trade in the 2020/21 tax year.

The Government has just announced that self-employed parents, whose trading profits dipped in the 2018/19 tax year because they took time out to have children and, who may not have been able to claim under SEISS because of that, will now be able to do so.

- This relates to mothers or father, including those who have adopted, who took time out from trading to care for their children within 12 months of their birth or within 12 months of an adoption.
- They will now be able to check their eligibility based on either the 2017/18 tax year or the average of the tax years 2016/17 and 2017/18.
- This assumes they meet the rest of the criteria stated above.
- It is not yet clear how this is to be evidenced, nor how the claim, on that basis, can be made, nor whether this relates to both SEISS claim periods or simply the second one.
- Further information is to follow in July.

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