



## A Guide to the Coronavirus Self Employment Income Support Scheme

Last night the Government announced the grant for the self-employed. Here's what MySalonManager has been able to find out about how they intend to assist this vast work force...

- The Self Employed will receive a taxable grant worth 80% of that person's average monthly profit, for the last three years. This therefore levels the playing field with the Job Retention Scheme for employees
- **It is a maximum of £2,500 per month**, initially it will be available for a three-month period, but it may be extended, if the government feel it is required
- It will be paid directly to your bank account, **in one instalment**
- You **CANNOT** apply for this scheme yet, and notably, you will be contacted by HMRC if you are eligible
- The phrase the Chancellor used to describe this support, was that it is a "taxable grant". We believe this means it will form part of the self-employed individual's taxable income for 2020-21, but will clarify when the full details become clear

### Who can apply?

- You have trading profits/partnership trading profits in 2018-19 of less than £50,000 and these profits constitute more than half of your total taxable income
- You have average trading profits in 2016-17, 2017-18, and 2018-19 of less than £50,000 and these profits constitute more than half of your average taxable income in the same period

Additionally:

- You have submitted your Income Tax Self-Assessment tax return for the tax year 2018-19 and traded in the tax year 2019-20
- You are still trading when you apply (or would be except for COVID-19)
- You intend to continue to trade in the tax year 2020-21
- You have lost trading/partnership trading profits due to COVID-19

### Who does not qualify?

Those who pay themselves a salary and dividends through their own limited company are not covered by the scheme but will be covered for their PAYE salary by the Coronavirus Job Retention Scheme if they are operating PAYE schemes.

### Important

**If you have not submitted your Income Tax Self-Assessment tax return for the tax year 2018-19, you MUST do this by 23 April 2020** (please note that HMRC will use data on 2018-19 returns already submitted to identify those eligible and will risk assess any late returns filed before the 23 April 2020 deadline in the usual way).

If you claim tax credits you'll need to include the grant in your claim as income.

We hope this helps those of you who are self-employed.

*Raymond*

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