



COVID 19 Your rights if you're self employed

You can't get statutory sick pay if you're self-employed. But if you have to take time off work because you're sick or self-isolating – or if you've lost all your income due to coronavirus – you might be entitled to claim benefits. Plus further help has been announced in the form of the Self Employed Income Support Scheme (SEISS)...

Under this scheme self-employed workers will be able to apply for taxable grants to combat loss of income due to the coronavirus pandemic. Here's how it'll work...

- **The grants are worth up to 80% of your profits.** This is capped at £2,500 a month and is taxable.
- **Grants are decided on your profits over the last three years.**
- **You must have filed a tax return for 2018/19.** This means you must have been self-employed prior to 6 April 2019. If you were due to file a 2018-9 tax return but missed the deadline this year, you'll have until 26 April to submit your tax return and then you can still access the scheme. However, if you only have a few months' self-employment on your 2018/19 return, this will be counted as your total profit for the year – the Government won't pro-rata it based on your monthly profits.
- **You must earn more than half your total income from self-employment.** This must have been the case for either your 2018/19 tax return or the average of your 2016/17, 2017/18 and 2018/19 tax returns (or both).
- **Your average annual trading profit must be less than £50,000.** This is essentially a 'cliff-edge' requirement – so those whose average annual trading profit is £50,000 or more won't be able to get any support from this scheme.
- **This scheme's expected to launch in June.** Payments will be likely backdated to cover March, April and May. The scheme will operate across the UK and is set to last for at least three months, though this could be extended.

Martin's video will help explain all this...

How do I apply for the SEISS?

Those who are eligible for the self-employment support scheme will be contacted by HMRC directly – the Government hasn't said when this'll be, only that it will happen "once the scheme is operational". At that point you'll be asked to fill in an online form, and the grant will then be paid directly into your bank account.

There's no need to contact HMRC now as there's nothing you can do to apply at this stage. We'll be following the scheme closely and keep you fully updated as and when you can apply.

I am eligible but can't wait until June – what can I do?

If you are eligible for help from this scheme, it's unlikely you'll see any cash in your bank account until June at the earliest, which for many will be a struggle.

In the meantime, you can try applying for a [business interruption loan](#) if eligible, or universal credit (for universal credit, the grant will be treated as earnings – but check if you can apply for support before it comes through). See more on [other help for the self-employed](#) below.

In addition, it may also be worth using any money you have set aside for your July tax bill to cover immediate expenses until your grant comes through in June. This especially applies given the July self-assessment tax payment can be deferred until January 2021.

What if I'm not eligible for the Self-Employment Income Support Scheme?

Not all self-employed people can access this help – for example, if you earn more than £50,000 per year or less than half of your income is from self-employment. If you don't meet the eligibility requirements unfortunately you won't be able to claim, but there are other things you can try:

- **You can apply for a business interruption loan.** The temporary Coronavirus Business Interruption Loan Scheme is open to self-employed people and offers access to loans, overdrafts, invoice finance and asset finance of up to £5 million for up to six years. The Government could also give you a Business Interruption

Payment to cover the first 12 months of interest and fees on the loan.

The scheme is now open for applications, and is offered by all major banks. Read more on the [Government's Business Support website](#).

- **You can defer your income tax payments.** If you have income tax payments due in July 2020 under the self-assessment system, you can defer them until January 2021.

Self-assessment tax payments are being delayed

On 20 March, the Government announced it will delay the next set of self-assessment tax payments to January 2021, in a bid to help the self-employed. If you pay the majority of your tax via self-assessment, then usually you make two payments each year to pay off the previous year's tax bill, one by 31 January (when your tax return is due) and one by 31 July.

The Chancellor announced that there will be no payment due by July this tax year, allowing people more time to pay their tax bill, or to be able to use the cash already saved towards it for more immediate expenses.

Gig worker, zero hours, freelance or agency? There's still help available

If you work in the 'gig' economy, you freelance, you work through an agency or are on a 'zero-hours' contract, it's important to check whether you are actually employed or self-employed.

The best way to tell this is to see how you're taxed. If you're taxed through PAYE, then you're considered as an employee. So, you should have the same rights as an employee.

If you are self-employed, you won't be eligible to be furloughed, but you may be eligible for the support being offered to the self employed, or be able to [claim benefits](#).

Don't dismiss Universal Credit (and other benefits)...

Universal credit is a benefit which is available to many employed and self-employed

NEW UNIVERSAL CREDIT STANDARD ALLOWANCE

Your circumstances	Monthly standard allowance
Single and under 25	£342.72
Single and 25 or over	£409.89
In a couple and you're both under 25	£488.59
In a couple and either of you are 25 or over	£594.04

workers, either if you're on low income or if you're unemployed (including if you were on a higher income, but that income has now either stopped or been reduced).

Amid the current crisis, the Government has increased the standard allowance AND removed the minimum income floor (which benefits the self-employed).

So, from Monday 6 April, if you're single and 25 or over, you can get a monthly standard allowance of up to £409.89 (both new and existing claims). Over a year, that's £4,918. Before the crisis, this yearly allowance was £3,813.

You may get more or less than the standard allowance dependent on your earnings (and your partner's if you live with them), whether you've got children, and other factors..

Housing element of universal credit

However, the BIG change to universal credit is the amount of housing benefit you can claim. The amount it paid out had been frozen since 2016, but from April the housing element of universal credit will be unfrozen, meaning both people who rent and those who own their property could be eligible to more money.

If you claim the housing element of universal credit, it could be worth £100s or even £1,000s a month.

The housing element of universal credit can be used to cover:

- Your rent
- The interest on your mortgage
- Any service charges you may pay

According to the Chancellor, Rishi Sunak, housing costs support will cover the bottom 30% of market rents in any particular area – for example, in one London borough, for a two-bed home the max was £1,390/month, it could now be as high as £1,550/month.

You can apply for universal credit [online](#), and, if your application is successful, you'll get your first payment after around five weeks.