

Self-Employed Cash Grants

Millions of self-employed individuals will receive direct cash grants through a ground-breaking UK-wide scheme to help them during the coronavirus outbreak, the Chancellor announced today.

In the latest step to protect individuals and businesses, Rishi Sunak has set out plans that will see the self-employed receive up to £2,500 per month in grants for at least 3 months.

The scheme will be open to those with a trading profit of less than £50,000 in 2018-19 or an average trading profit of less than £50,000 from 2016-17, 2017-18 and 2018-19.

- To qualify, more than half of their income in these periods must come from self-employment.
- To minimise fraud, only those who are already in self-employment and meet the above conditions will be eligible to apply.
- HMRC will identify eligible taxpayers and contact them directly with guidance on how to apply.
- The income support scheme, which is being designed by HMRC from scratch, will cover the three months to May.
- Grants will be paid in a single lump sum instalment covering all 3 months and will start to be paid at the beginning of June.

Individuals should not contact HMRC now. HMRC will use existing information to check potential eligibility and invite applications once the scheme is operational.

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

The scheme has been designed after extensive engagement with stakeholders including the TUC, the Federation of Small Businesses and IPSE - The Association of Independent Professionals and the Self-Employed.



To Summarise

- further information and details of the scheme will be shared shortly by HMRC
- HMRC will use the average trading profits from tax returns in 2016-17, 2017-18 and 2018-19 to determine the size of the grant
- this scheme also applies to members of partnerships
- before grant payments are made, the self-employed will still be able to access other available government support for those affected by coronavirus including more generous universal credit and business continuity loans where they have a business bank account

