



HM Treasury

1 Horse Guards Road
London
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14 July 2020

Dear Monika Kokoszycka & Paul Appleyard

Thank you for your correspondence dated 23 March on behalf of your constituent, AIC UK & Ireland and ITI, regarding COVID 19 self-employment. The Treasury has received unprecedented amounts of correspondence since the start of the coronavirus outbreak in the UK and I am sorry for the delay so far in replying. The Chancellor of the Exchequer has asked me to write to you directly.

The Self-Employment Income Support Scheme (SEISS) helps those adversely affected by COVID-19. The Chancellor of the Exchequer announced an extension of the scheme on 29 May and eligible individuals may now qualify for a second and final grant. This means the UK continues to have one of the most generous self-employed COVID-19 support schemes in the world as the economy reopens.

The SEISS opened for applications on 13 May, ahead of schedule, and it remains open for applications for the first grant until 13 July. Self-employed individuals, including members of partnerships, are eligible if they have submitted their Income Tax Self Assessment tax return for the tax year 2018-19, continued to trade, and have been adversely affected by COVID-19. To qualify, their self-employed trading profits must be no more than £50,000 and at least equal to their non-trading income. Individuals can continue to work, start a new trade or take on other employment including voluntary work, or duties as an armed forces reservist. Around 95 per cent of those with more than half their income from self-employment in 2018-19 may be eligible for this scheme.

Eligible individuals can at present claim a taxable grant worth 80 per cent of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £7,500 in total. The money is paid into their bank accounts within six working days of completing a claim. By midnight on 21 June, 2.6 million individuals had claimed grants worth £7.6 billion in total.

The extension of the SEISS now means that eligible individuals whose businesses are adversely affected by COVID-19 on or after 14 July will be able to claim a second and final grant when the scheme reopens for applications in August. This will be a taxable grant worth 70 per cent of their average monthly trading profits, paid out in a single instalment

covering three months' worth of profits, and capped at £6,570 in total. This is in line with changes to the Coronavirus Job Retention Scheme as the economy reopens and the eligibility criteria remain the same for this final grant. An individual does not need to have claimed the first grant to receive the second grant: for example, they may only have been adversely affected by coronavirus in this later phase.

More information about the SEISS can be found at: www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme.

The SEISS continues to be one element of a comprehensive package of Government support for individuals and businesses, including the self-employed. This package includes Bounce Back loans, tax deferrals, rental support, increased levels of Universal Credit, mortgage holidays, and other business support grants. More information about the full range of business support measures is available at: www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19.

I hope this is helpful. If you have any questions about this reply, please email public.enquiries@hmtreasury.gov.uk quoting reference MC2020/13095.

Yours sincerely,

Kyle Paulsen

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