

## COVID-19 Self employed summary 26 March 2020

The long-awaited self-employed guidance has now been released by the government. Here is an update of the support available if you or someone you know is self-employed:

- The new proposal covers 95% of the self-employed workforce. They will be entitled to 80% of their monthly net earnings averages over the last three years up to £2,500
- This brings parity with the Coronavirus Job Retention Scheme that was announced by the Chancellor last week, where the government committed to pay up to £2,500 each month to employed workers who are furloughed during the outbreak
- Only those already in self-employment, with a tax return for 2019, will be able to apply
- The scheme will be open to anybody with trading profits of up to £50,000 and will only be available to those who make the 'majority of their income from self-employment
- The scheme will also 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
- 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
- This scheme will be open to people across the UK for a minimum three months, available starting from June the latest and will be extended if necessary
- Self-employed people will be able to access the business interruption loans, while self-assessment income tax payments due in July will be deferred until January 2021.
- 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.
- 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
- If you are eligible, HMRC will contact you directly, ask you to fill out a form and pay the grant straight to your bank account.
- For the next 12 months, the universal credit standard allowance and working tax credit basic element will be increased by £1,000 per year.

### IR35

IR35 will be delayed until April 2021 to help businesses and contractors.