ADVICE FROM A LOCAL EXPERT

COVID-19 – Support for the Self-Employed

Nockolds Solicitors is a leading law firm with dedicated experts who focus on providing quality legal advice for you and your business. We are proud to have received many accreditations, awards and aspiring feedback over the years, reinforcing the enthusiasm and passion in every member of our team to provide the very highest standard of legal advice to our clients.

On 26 March 2020 the government unveiled the 'Self-Employment Income Support Scheme', an unprecedented package of support to help the self-employed cope with the financial impact of COVID-19.

It follows the announcement last week that a 'Coronavirus Job Retention Scheme' would be established for employees and workers and repeated calls for the government to provide similar help for the millions of people who are self-employed, many of whom are currently receiving no income. During yesterday's press conference the Chancellor, Rishi Sunak, told the self-employed: 'You have not been forgotten'.

The Self-Employment Income Support Scheme is expected to help 95% of the self-employed. Key points include:

- If eligible, a grant will pay self-employed persons 80% of their average monthly profit over last three years (up to a maximum of £2,500 per month)
- It is only available to those who make the majority of their income from self-employed work and with trading profit of up to £50,000
- Payments are not expected to be made until June, but will be backdated to March. In the meantime universal credit or a business interruption loan may be available
- Only those who have submitted a tax return for 2018-19 will be able to apply. They will need to complete a form after which payment will be made directly into their bank account. If individuals have not yet submitted their tax return (which should have been submitted at the end of January 2020), they will be allowed a further four weeks to submit and still qualify for the grant, subject to eligibility
- Unlike the scheme for employees and workers, the self-employed can continue to work as well as receive financial support.
- The Self-Employment Income Support scheme is expected to be available for an initial period of three months, but the government has said it may be extended if required.

This package matches what is being offered to employees which allows employers to furlough those members of staff who have no work to undertake due to the impact of COVID-19. In return for keeping them on their payroll and not making them redundant the government will reimburse the employer to cover 80% of an employees' salary (up to a maximum of £2,500 a month), for further details see our blog.

The levels of support that the government has now pledged to provide are unprecedented and show the scale of disruption COVID-19 is having on both individuals and business.

For further information and advice:

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