



CORONAVIRUS COVID-19 – SELF EMPLOYMENT INCOME SUPPORT SCHEME (SEISS) 2021 (5TH GRANT)

BACKGROUND

As a Self employed taxpayer (and/or a sole trader), and where you have met the specific eligibility criteria, you will already have had the benefit of some financial support via the Coronavirus (COVID) **Self Employment Income Support Scheme (SEISS)**.

The SEISS scheme has provided taxable grants of various % levels of a Self Employed taxpayer's average monthly trading profits to date, paid across various points in 2020 and now into mid 2021 !

With the scheme originally meant to be a short term financial support for the Self employed, however it has been extended through to **September 2021** - at which point it is now expected that the SEISS scheme will cease (in a similar way and at the same point as the CJRS '**furlough**' scheme) !

HMRC have now confirmed that the '**Fifth**' **Grant** under the SEISS scheme will shortly be open for further claims with the deadline for all submissions **being 30th September 2021 !**

The **Fifth Grant** will be for the period from May 2021 to September 2021, however due to an improving trading situation at this stage of the coronavirus pandemic, there is an additional restriction on the grant amounts from earlier periods !

KEY POINTS

Eligibility for the SEISS grant remains broadly as it has been, since the start of the SEISS scheme in 2020 i.e.

- The SEISS scheme is for self-employed individuals who are
 - actively continuing to trade, **but**
 - are facing reduced demand due to COVID-19 between May & September 2021
- As usual the SEISS grant is fully taxable (in tax year 2021/22) and will be paid out in a single instalment.
- Claims for the SEISS grant **MUST** be made by the taxpayer themselves, and therefore Sakura or your Agent cannot action a claim under the scheme on your behalf
- As per previous grant claims, HMRC will check claims and take appropriate action to withhold or recover payments found to be dishonest or inaccurate.
- Similarly there is no requirement that an earlier SEISS grant has been claimed in order to be able to claim the upcoming fourth grant.

The amount being paid out under the **Fifth grant** will remain at a maximum of £7,500 or 80% of 3 months' average trading profits, however – **the actual amount received is now paid by reference to how much your turnover has been reduced as a result of the impact of the pandemic in 2020/21 !**

KEY POINTS OF THE 'TURNOVER' TEST

The eligibility and/or rules for obtaining support under the SEISS scheme are largely the same as those for previous grants, with the exception of a **NEW 'turnover' test** or the **'financial impact declaration test'** !

PLEASE NOTE - that the **'turnover'** test does not determine whether a self employed person/sole trader can claim the **Fifth Grant**, but instead, it will determine **how much** they will receive as part of the grant for the period.

The **Steps** to confirming the details of any claim under the **Fifth Grant** are as follows:

1. Review your details from your **2019/20 Self Assessment tax return**
2. Confirm that your Self employment/sole trader **'trading profits'** do NOT exceed £50,000, and are at least equal to non-trading income
3. Review your **'Turnover'** for your Self employment/sole trader business in your Self Assessment tax return for 2020/21 (**or 'draft' tax return at this early stage**)
4. Where your **'Turnover'** for this period i.e. the **'pandemic period'**, is at least 30% less than turnover for the **'reference period'** – this will generally be for the same period in 2019/20 or 2018/19 – then the **'turnover'** test has been met !
5. You can make a claim under the **Fifth Grant** for a maximum of 80% for 3 months average trading profits (to £7,500) – otherwise it is 30% for 3 months average trading profits (to £2,850)

Turnover reduction	How much will be paid	Maximum grant
30% or more	80% of 3 months' average trading profits	£7,500
Less than 30%	30% of 3 months' average trading profits	£2,850

KEY DEFINITIONS FOR THE 'TURNOVER' TEST

'Turnover'

- **'Turnover'** means the takings, fees, sales and money earned by the business calculated in accordance with GAAP or the cash basis as appropriate.
- It excludes any 'coronavirus support payments' such as SEISS grants, Eat Out to Help Out payments and local authority grants.

'Pandemic period'

- The 'pandemic period' is the 12 month period beginning in the period from 1st April 2020 and 6 April 2020 and ending on 5th April 2021 e.g. period to 31st March 2021 !

'Reference period'

- The 'reference period' is the tax year 2019-20; however, the taxpayer can use 2018-19 where this more accurately reflects their turnover for a typical 12 month period i.e. **guidance for selecting 2018/19 includes where in 2019/20 the person was on carers' leave, long term sick leave or had a new child, or they had lost a large contract.**



MAKING A CLAIM

When making a claim application under the SEISS scheme, it will need to be via the online portal, and as per the prior grants - you will need the following information:

- Self Assessment UTR** – your unique tax reference number from HMRC (on your tax return)
- Government Gateway user ID and password** (HMRC Online Services ID) - if you do not have a user ID, you can create one when you check your eligibility online
- Bank account number and sort code** – where the grant monies are to be paid
- Coronavirus Impact** – you will need to confirm to HMRC that your business has been adversely affected by coronavirus.

Once the claim has been successfully submitted, there will be an immediate confirmation of approval.

Contact the Sakura Team if you have any queries around the SEISS scheme grants and/or you need advice on how to include the grants in your Self Assessment tax return. Contact us on 0207 952 1230 or info@sakurabusiness.co.uk

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