

**SELF-EMPLOYMENT INCOME SUPPORT SCHEME UPDATE
AND
DEFERRING JULY 2020 SELF ASSESSMENT PAYMENT ON ACCOUNT**

SELF- EMPLOYMENT INCOME SUPPORT SCHEME (SEISS)

As outlined in our communication in early June, we are now in transition between SEISS V1 and SEISS V2

Who is eligible to the SEISS?

Self-employed individuals, including members of partnerships, are eligible if they:

- submitted their Income Tax Self-Assessment tax return for the tax year 2018-19;
- continued to trade in 2019-20 and intend to keep trading in 2020-21;
- carry on a trade which has been adversely affected by COVID-19;
- have average self-employed trading profits of no more than £50,000 and at least equal to their non-trading income.

First Grant – (SEISS V1)

Eligible individuals can 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 profit, and capped at £7,500 in total.

Applications for the first grant **close on 13 July 2020**.

Second and Final Grant – (SEISS V2)

This scheme is being extended until 19 October 2020. Eligible individuals will be able to claim a second and final grant from 17 August 2020 when the online service becomes available.

HMRC will work out eligibility in the same way as the first grant. If an individual makes a claim for the second grant he/ she will have to confirm his/ her business has been adversely affected on or after 14 July 2020.

Individuals are considered by HMRC to have been adversely affected by coronavirus if, for example:

- They are unable to work because you:
 - Are shielding.
 - Are self-isolating.
 - Are on sick leave because of coronavirus.
 - Have caring responsibilities because of coronavirus.
- They have had to scale down, temporarily, stop trading or incurred additional costs because:
 - Their supply chain has been interrupted.
 - They have fewer or no customers or clients.
 - Their staff are unable to come in to work.
 - One or more of their contracts have been cancelled.
 - They had to buy protective equipment so they could trade following social distancing rules.

Eligible individuals can claim a taxable grant worth 70 per cent of their average monthly trading profits, paid out in a single instalment covering three months' worth of profit, and capped at £6,570 in total.

An individual does not need to have claimed the first grant in order to be eligible for the second and final grant.

As for the first grant, taxpayers will have to make their application themselves.

The online service for the second and final grant is not available yet. Applications will open in August 2020.

DEFERRING 31 JULY 2020 SELF ASSESSMENT PAYMENTS ON ACCOUNT

In response to the COVID-19 outbreak, HMRC announced in late March 2020, that taxpayers could opt to defer their second self-assessment payment on account for the 2019/20 tax year if they are finding it difficult to make their second payment on account by the normal due date of 31 July 2020 due to the impact of coronavirus. HMRC will not charge interest or penalties on any amount of the deferred payment on account, provided it is paid on or before 31 January 2021.

Tax payers can still make the payment by 31 July 2020 as normal if they are able to do so.

June 2020 Self-Assessment statements issued by HMRC show 31 January 2021 as the due date for paying the July 2020 Payment on Account. This is because HMRC updated their IT systems to prevent customers incurring late payment interest on any July 2020 Payment on Account paid between 1st August 2020 and 31 January 2021. The deferment has not been applied for all customers by HMRC and it remains optional.

Tax payers are still required to submit their Self-Assessment tax return to HMRC on time.

If they choose to defer - Tax payers do not need to tell HMRC that they are deferring their payment on account.

Tax payers must make their second payment on account on or before 31 January 2021 if they choose to defer. Other payments they may have to make by this date include any:

- Balancing payment due for the 2019 to 2020 tax year
- First payment on account due for the 2020 to 2021 tax year

If they want to pay in full – Tax payers can pay their second payment on account bill in full any time between 31 July 2020 and 31 January 2021.

Time to Pay - If Tax payers are still struggling to pay their tax bill by 31 January 2021, or are experiencing other financial difficulties they can contact HMRC's Time to Pay service.

Self-Assessment Payment Helpline

Telephone: 0300 200 3822

Monday to Friday, 8am to 4pm

HOW CAN WE HELP?

Please contact us if you need any support or guidance and as usual, we will endeavour to help.

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