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Self Employed Income Support Scheme Second Grant

HMRC's Self Employed Income Support Scheme opened on 17 August for claims for the second grant. This grant is intended to support those with trading activities that have been adversely affected by coronavirus since 14 July.

To be eligible for the Self Employment Income Support Scheme, in addition to considering the information HMRC holds to calculate the grant, an individual must:

- Have submitted a 2018/19 Tax Return with trading income by 23 April 2020;
- Have traded in 2019/20;
- Intend to continue to trade in 2020/21; and
- Carry on a trade which has been adversely affected by coronavirus.

If you believe your trade has been affected financially, either as sole trader or partner, you may be eligible to claim the second grant from this scheme which will pay a taxable amount worth 70% of your trading profits up to a maximum of £6,570.

Claims should be made before 19 October and the funds should be paid within 6 working days. If the conditions are met the second grant can be claimed even if the first was not claimed.

Unfortunately we are unable to make the claim on your behalf.

Coronavirus Support Scheme (CSS) Overpayments

As of 22 July the legislation to recover overpayments from Coronavirus Support Schemes including the Self Employment Income Support Scheme and the Coronavirus Job Retention Scheme has come into force.

Due to the high cost of the pandemic and the level of public support for reclaiming CSS overpayments, HMRC is extremely likely to utilise significant resources to reclaim CSS overpayments.

HMRC consider the following to be adversely affected:

- The individual is unable to work because they:
 - Are shielding;
 - Are self-isolating;
 - Are on sick leave because of coronavirus; or
 - Have caring responsibilities because of coronavirus.
- The individual has 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; or
- They have had to buy protective equipment so they could trade following social distancing rules.

There are also a number of examples illustrating the view of HMRC:

<https://www.gov.uk/guidance/decide-if-your-business-has-been-adversely-affected-for-the-self-employment-income-support-scheme#adversely-affected-examples>

If an individual qualifies for SEISS the grant is a fixed amount based on previous profit levels. There is no need to justify that lost income or additional costs equal or exceed this fixed sum.

If an individual has received a payment for which they are ineligible or for more than they are eligible to receive they must notify HM Revenue & Customs (HMRC) within 90 days of receiving the grant or by 20 October 2020 if they received the grant prior to 22 July.

HMRC will issue a tax assessment for the amount of the grant they were not eligible to receive. They have 30 days from the assessment to pay this or interest and late payment penalties will start to accrue.

Failure to notify HMRC and repay grants for which an individual was ineligible for may result in penalties being charged.

If an individual failed to disclose their ineligibility, of which they are aware, within the stipulated timeframe HMRC will treat that failure to notify as if it were deliberate and concealed. This entitles HMRC to issue penalties as follows:

- If HMRC is informed by the individual before HMRC discover the failure it will be treated as an unprompted disclosure and HMRC can issue penalties between 30% and 100% of the ineligible grant.
- If HMRC find out in any other circumstances it is a prompted disclosure and they can issue penalties between 50% and 100% of the ineligible grant.

In a partnership if **any of the partners** claimed the grant and **paid it into the partnership** all partners will be **jointly and severally liable** for the assessment and any penalties issued.

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