

8 MARCH 2021

# Self-Employed Income Support

## Claiming 4<sup>th</sup> and 5<sup>th</sup> grants, April and July 2021

### Can you claim SEISS 4<sup>th</sup> and 5<sup>th</sup> payouts during 2021?

#### ***If you commenced self-employment after 5<sup>th</sup> April 2019***

If you started your self-employment after 5 April 2019, you were denied support under this scheme from the first three quarterly payouts to 31 January 2021.

The good news is that due to lobbying by tax professionals and self-employed support groups the SEISS is being opened to traders who commenced after 5 April 2019. However, there is an additional hurdle to jump before you can make a claim; your tax return for 2019-20 needs to have been filed by midnight 2 March 2021.

Additionally, your business must be adversely affected by the pandemic and your profits from self-employment must be at least 50% of your income and less than £50,000.

#### ***If you commenced self-employment on or before 5<sup>th</sup> April 2019***

If you qualified for the first three grants, you should qualify for the further grants due this year unless your circumstances have changed, for example, if you are no longer adversely affected by COVID disruption.

For those of you who may be claiming for the first time, you will need to claim using your online tax account. HMRC should advise you when the claims process is open for business.

#### ***If claiming the fourth grant – 1 February 2021 to 30 April 2021***

The fourth grant under the scheme covers February to April 2021. It is worth three months' average profits capped at £7,500 and can be claimed from late April.

#### ***If claiming the fifth and final grant – 1 May 2021 to 30 September 2021***

The fifth and final grant covers the period from May to September 2021. The amount of the grant will depend on the impact that Covid-19 disruption has had on your profits.

- If your turnover has fallen by 30% or more because of Covid-19, you will be able to claim a grant equal to 80% of your average profits for three months, capped at £7,500.
- However, if your turnover has dropped by less than 30%, you will be entitled to a reduced grant of 30% of three months' average profits, capped at £2,850.

The final grant can be claimed from late July.

There is a potential misfit in this fifth grant. Although it covers a five-month period (May – September 2021) the actual payout for this period is based on three months. What about the other two months?

***We can help***

Remember, you can only claim the grant if you have been adversely affected by the pandemic, and grants received under the scheme are taxable and must be considered in working out your profits.

If you are unsure how to proceed please call, and if we receive any further explanation for the scope of the fifth grant (the missing two months) you will be updated.

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