



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Dr Liam Fox MP
House of Commons
London
SW1A 0AA

27 April 2020

Dear Liam,

Thank you for your email of 21 March on behalf of a number of your constituents about support for self-employed individuals following the outbreak of COVID-19. I would like to apologise for the delay you have experienced in receiving a response to your correspondence.

The Government recognises that many self-employed individuals have been concerned about support if their income drops temporarily due to COVID-19. Following earlier announcements on business support, the Chancellor of the Exchequer announced further additional assistance for the self-employed on 26 March 2020. The new Self-Employment Income Support Scheme (SEISS) will help those with lost trading profits due to COVID-19. It means the UK will have one of the most generous self-employed COVID-19 support schemes in the world.

The new scheme will allow eligible individuals to claim a taxable grant worth 80 per cent of their trading profits up to a maximum of £2,500 per month for 3 months. This may be extended if needed. Self-employed individuals, including members of partnerships, are eligible if they have submitted their Income Tax Self Assessment tax return for the tax year 2018-19, continued to trade and have lost trading/partnership trading profits due to COVID-19. To qualify, their self-employed trading profits must be less than £50,000, with more than half of their income from self-employment. Some 95 per cent of people who are mainly self-employed could benefit from this scheme.

HM Revenue & Customs (HMRC) will aim to contact individuals by mid-May 2020 if they are eligible for the scheme, and invite them to claim using the GOV.UK online service. HMRC expect to make payments no later than the beginning of June. Delivery of the SEISS is an enormous operational task for HMRC because it requires an entirely new system to be built and tested from scratch.

Those who pay themselves a salary through their own company may instead be eligible for the Coronavirus Job Retention Scheme (CJRS). The CJRS is available to employers, including personal service companies, and individuals paying themselves a salary through a PAYE scheme are eligible.

More information about the SEISS, including the eligibility criteria and how to claim, is available at:
www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme.

Anyone requiring support before the beginning of June should have access to other measures appropriate to their individual circumstances. For example, the self-employed benefit from the Government's relaxation of the earnings rules (known as the Minimum Income Floor) in Universal Credit. The SEISS also supplements the significant support already announced for UK businesses, including the Coronavirus Business Interruption Loan Scheme and the deferral of tax payments. More information about the full range of business support measures is available at: www.businesssupport.gov.uk/coronavirus-business-support/.

The Government is offering bold, substantial and unprecedented support for the self-employed. We will do whatever it takes to get our country through the impacts of COVID-19.

Yours ever,

A handwritten signature in black ink, appearing to read 'Jesse'.

RT HON JESSE NORMAN MP