

## **(COVID-19) Self-Employment Income Support Scheme grant extension.**

The UK Government recognises the continued impact that coronavirus (COVID-19) has had on the self-employed and has taken action to provide support.

The Self-Employment Income Support Scheme grant extension provides critical support to the self-employed in the form of 2 further grants, each available for 3-month periods covering November 2020 to January 2021 and February 2021 to April 2021.

### **1. Who can claim?**

To be eligible for the grant extension self-employed individuals, including members of partnerships, must:

- have been previously eligible for the Self-Employment Income Support Scheme first and second grant (although they do not have to have claimed the previous grants)
- declare that they intend to continue to trade and either:
  - are currently actively trading but are impacted by reduced demand due to coronavirus.
  - were previously trading but are temporarily unable to do so due to coronavirus.

### **2. What the grant extension covers?**

The extension will last for 6 months, from November 2020 to April 2021. Grants will be paid in 2 lump sum instalments each covering a 3-month period.

The third grant will cover a 3-month period from 1 November 2020 until 31 January 2021. The Government will provide a taxable grant calculated at 80% of 3 months average monthly trading profits, paid out in a single instalment and capped at £7,500 in total. This is an increase from the previously announced amount of 55%.

The Government are providing the same level of support for the self-employed as is being provided for employees through the Coronavirus Job Retention Scheme which has also been extended until March 2021.

The Government has already announced that there will be a fourth grant covering February 2021 to April 2021. The Government will set out further details, including the level, of the fourth grant in due course.

The grants are taxable income and subject to National Insurance contributions.

### **3. How to claim?**

The online service for the next grant will be available from 30 November 2020. HMRC will provide full details about claiming and applications in guidance on GOV.UK in due course.

5th November 2020 Announcement:

## **(COVID-19) Government extends Furlough to March and increases self-employed support**

Workers across the United Kingdom will benefit from increased support with a five-month extension of the furlough scheme into Spring 2021, the Chancellor announced today, 5 November.

- businesses and people across the UK given certainty over winter months with further support announced by Chancellor Rishi Sunak
- the furlough scheme will now be extended until the end of March – protecting millions of jobs across all nations
- the next self-employed income support grant will also increase from 55% to 80% of average profits - up to £7,500

Workers across the United Kingdom will benefit from increased support with a five-month extension of the furlough scheme into Spring 2021, the Chancellor announced today, 5 November.

The Coronavirus Job Retention Scheme (CJRS) will now run until the end of March with employees receiving 80% of their current salary for hours not worked.

Similarly, support for millions more workers through the Self-Employment Income Support Scheme (SEISS) will be increased, with the third grant covering November to January calculated at 80% of average trading profits, up to a maximum of £7,500.

The Chancellor of the Exchequer Rishi Sunak said:

*"I've always said I would do whatever it takes to protect jobs and livelihoods across the UK - and that has meant adapting our support as the path of the virus has changed.*

*It's clear the economic effects are much longer lasting for businesses than the duration of any restrictions, which is why we have decided to go further with our support.*

*Extending furlough and increasing our support for the self-employed will protect millions of jobs and give people and businesses the certainty they need over what will be a difficult winter."*

The Chancellor also announced today an increase in the upfront guarantee of funding for the devolved administrations from £14 billion to £16 billion. This uplift will continue to support workers, business and individuals in Scotland, Wales and Northern Ireland.

The furlough scheme was initially extended until 2 December. But the government is now going further so that support can be put in place for long enough to help businesses recover and get back on their feet – as well as giving them the certainty they need in coming months. Evidence from the first lockdown showed that the economic effects are much longer lasting for businesses than the duration of restrictions.

There are currently no employer contribution to wages for hours not worked. Employers will only be asked to cover National Insurance and employer pension contributions for hours not worked. For an average claim, this accounts for just 5% of total employment costs or £70 per employee per month. The CJRS extension will be reviewed in January to examine whether the economic circumstances are improving enough for employers to be asked to increase contributions.

Throughout the pandemic, the government has acted with speed to protect lives and safeguard jobs with an unprecedented £200 billion support package. The furlough scheme has protected over nine million jobs across the UK, and self-employed people have already received over £13 billion in support. This is in addition to billions of pounds in tax deferrals and grants for businesses.

On top of this, the government has announced:

- cash grants of up to £3,000 per month for businesses which are closed worth more than £1 billion every month
- £1.1 billion is being given to Local Authorities, distributed on the basis of £20 per head, for one-off payments to enable them to support businesses more broadly
- plans to extend existing government-backed loan schemes and the Future Fund to the end of January, and an ability to top-up Bounce Back Loans
- an extension to the mortgage payment holiday for homeowners
- up to £500 million of funding for councils to support the local public health response.

Further Information

- More information on today's policy announcements can be found here: [economic support factsheet](#) (PDF, 143KB, 5 pages).
- This is just one element of the comprehensive package of support the government has set out for businesses, including more than £65 billion in government-backed loans, which have now been extended until 31 January, deferral of VAT payments, business rates holidays, generous grants for hospitality, leisure and retail businesses, a moratorium on eviction for commercial tenants and the Statutory Sick Pay Rebate Scheme.
- In addition, the Jobs Retention Bonus (JRB) will not be paid in February and the government will redeploy a retention incentive at the appropriate time. The purpose of the JRB was to encourage employers to keep people in work until the end of January. However, as the CJRS is being extended to the end of March 2021, the policy intent of the JRB falls away.