



Dear all,

From all the team at Butler & Co, we hope everybody continues to stay well and upbeat.

COVID-19 BUSINESS SUPPORT

There are two key updates to make you aware of today:

1. **SELF-EMPLOYMENT INCOME SUPPORT SCHEME (SEISS) – APPLICATION DETAILS [IMPORTANT INFORMATION FOR ALL SELF-EMPLOYED INDIVIDUALS WANTING TO MAKE A CLAIM]**
2. **BOUNCE BACK LOANS**

1. SELF EMPLOYED INCOME SUPPORT SCHEME – APPLICATION DETAILS

Over the weekend, HMRC clarified the process of application for the SEISS. The key points are as follows:

- **IMPORTANT: A tax agent or adviser cannot make the claim on behalf of a self-employed individual. HMRC are insisting that all claims must be made by the individual directly. As your agent, we can provide help or support – including talking you through the application process, but the application itself must be made directly by you.**
- The online service to claim is not available yet. HMRC will aim to contact those who qualify by mid May 2020, to invite those who are eligible to claim using the GOV.UK online service. Payment will be made by early June 2020 if claims are approved. To make a claim you will need the following:
 - Your **Individual Self-Assessment Unique Taxpayer Reference (UTR)** number
 - Your **National Insurance number**
 - **A Government Gateway user ID and password**
 - A **Bank account number and sort code** for where you want HMRC to pay the grant
 - You must **confirm that your business has been adversely affected** by Coronavirus

NOTE: You do not need any accounting figures to make the claim. **HMRC will be calculating the grant themselves** from records already submitted.

Obtaining Information:

- Both your Individual UTR and NI Number can be found on your last personal Self-Assessment Tax Return.
- **Government Gateway User ID and Password** – if you do not have one of these currently set up, you must do this **IMMEDIATELY**

The sign up can be found here: <https://www.gov.uk/personal-tax-account> and you should follow the onscreen instructions to set up an account – you will need your National Insurance Number and your Passport Number to create this, and the process usually takes around 10 minutes to complete. Once the account has been setup, you will need to add your personal income tax to the account, using the “add personal taxes” function. To add this information you will need your UTR and the details of your last submitted Self-Assessment Return.

After you make a claim

- HMRC will work out the grant amount payable to you and this will be paid directly into the specified bank account, in one instalment.
- Once a claim is submitted, you will be told straight away if the grant is approved. HMRC will pay the grant within 6 working days.
- You must keep a copy of all records in line with normal self-employment record keeping requirements, including:
 - the amount claimed
 - the claim reference number for your tax records
 - **evidence** that your business has been adversely affected by coronavirus
- You will need to report the grant:
 - on your Self-Assessment tax return as self-employed income 2020-2021 (due 31 January 2022)
 - as self-employed income for any Universal Credit claims – those that have claimed UC will need to update their details with the government **immediately** upon receiving the grant, so that you don't end up in a position where the government tries to claw back any payments given

Eligibility

As a reminder, any self-employed individual can make a claim if:

- You carry on a trade which has been **adversely** affected by coronavirus
 - **Adversely means:** You are unable to work because of sick-leave/self-isolation etc. **OR** you've had to temporarily stop or scale down trading due to a decrease in customers or problems with the supply chain preventing continuous trade.
 - Anyone earning the same or more income during the Coronavirus lockdown is therefore **not** entitled to SEISS.
- You traded in the tax year 2018 to 2019 and submitted your Self-Assessment tax return on or before 23 April 2020 for that year; you traded in the tax year 6 April 2019 to 5 April 2020 and you intend to continue to trade in the tax year 6 April 2020 to 5 April 2021
- Your trading profits must be no more than £50,000 and at least equal to your non-trading income for the last three years.

Special Cases

- If you are an agricultural business, and you receive 'state aid' grants e.g. Basic Payment Scheme or Environmental Stewardship equivalent to over €120,000 [*approximately £104,000 in GBP*]; per EU law, you are not eligible for the scheme.
- If you trade through a trust, you are not eligible for the scheme.

How much you can get

You'll get a taxable grant based on your average trading profit over the 3 tax years; 2016 to 2017, 2017 to 2018, 2018 to 2019. HMRC will work out your average trading profit by adding together your total trading profits or losses for these 3 tax years, then they will divide by 3. The grant will be 80% of your average monthly trading profits, paid out in a single instalment covering 3 months, and capped at £7,500 altogether.

Full details on the how the calculation is undertaken can be found here: <https://www.butler-co.co.uk/pdf/coronavirus/Covid19-Business-Support-CJRS-SEISS-Update.pdf>

2. BOUNCE BACK LOANS

The key features of the new Bounce Back Loans are as follows:

- ✓ Loans of between £2,000 to £50,000 (*up to a maximum of 25% annual turnover*)
- ✓ The Government will cover the first 12 months of interest (this means you pay 0% for the first year)
- ✓ No repayments required for the first 12 months
- ✓ Interest rate of around 2.5% [*this rate is currently being advertised by Lloyds Bank PLC, but may not be applicable to applications with other banks*]
- ✓ 6-year loans with no early repayment charges
- ✓ You will remain 100% liable for the debt

Who can Apply:

You can apply for a loan if your business:

- ❖ is based in the UK
- ❖ has been negatively affected by coronavirus
- ❖ was not an 'undertaking in difficulty' on 31 December 2019
- ❖ You cannot apply if you're already claiming under the Coronavirus Business Interruption Loan Scheme (CBILS).

NOTE: If you've already received a loan of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, you can arrange this with your lender until 4 November 2020.

Where to apply:

At the moment, the following banks are currently accredited to offer a Bounce Back Loan:

- ❖ Barclays
- ❖ Lloyds
- ❖ NatWest
- ❖ Santander
- ❖ Royal Bank of Scotland

Other providers are yet to be accredited, but should be added at a later date.

How to apply:

The forms for application have been simplified and should not be as complex as the Coronavirus Business Interruption Loans process. Once the form has been completed, monies are anticipated to be sent in a few days. You may need to supply three years' worth of accounts with some applications – please contact us if you need any certified financial information from this period.

We hope you find the above of interest; as ever, please do get in touch with your regular point of contact or Russell Nash (russell@butler-co.co.uk) if you have any questions or concerns regarding any of the above points raised.

Best regards and stay well.