
Written 8 March 2021

SELF-EMPLOYMENT INCOME SUPPORT SCHEME FOURTH GRANT (SEISS)

In the recent Budget, the chancellor has set out further support for the self-employed. In addition to the upcoming fourth grant there will also be a fifth SEISS grant covering the 5 months to 30 September.

The chancellor has extended the scheme to include certain traders who were previously excluded. Thus, those who commenced self-employment in 2019/20 will now be included provided they had submitted their 2019/20 tax return by 2 March 2021. This is potentially a further 600,000 traders.

The Budget confirmed that the fourth SEISS grant will be set at 80% of 3 months' average trading profits, paid out in a single instalment, capped at £7,500. The fourth grant will take into account 2019 to 2020 tax returns and will be open to those who became self-employed in tax year 2019 to 2020. The rest of the eligibility criteria remain unchanged.

Conditions for the fifth grant will be linked to a reduction in business turnover. Self-employed individuals whose turnover has fallen by 30% or more will continue to receive the full grant worth 80% of three months' average trading profits, capped at £2,500 a month. Those whose turnover has fallen by less than 30% will receive a 30% grant, capped at £950 a month. We are awaiting further details of this fifth grant and we will keep you up to date when we get more information.

Eligibility for the scheme will now be based on your submitted 2019 to 2020 tax return. This may also affect the amount of the fourth grant which could be higher or lower than previous grants you may have received. To be eligible for the fourth grant you must be a self-employed individual or a member of a partnership.

To work out your eligibility HMRC will first look at your 2019 to 2020 Self-Assessment tax return. Your trading profits must be no more than £50,000 and at least equal to your non-trading income.

If you are not eligible based on your 2019 to 2020 Self-Assessment tax return, HMRC will then look at the tax years 2016 to 2017, 2017 to 2018, 2018 to 2019 and 2019 to 2020.

You must also have traded in both tax years:

- 2019 to 2020 and submitted your tax return by 2 March 2021
- 2020 to 2021

You must either:

- be currently trading but are impacted by reduced demand due to coronavirus
- have been trading but are temporarily unable to do so due to coronavirus

You must also declare that:

- you intend to continue to trade
-

-
- you reasonably believe there will be a significant reduction in your trading profits due to reduced business activity, capacity, demand or inability to trade due to coronavirus

To allow HMRC to process recently submitted 2019 to 2020 Self-Assessment tax returns, the online Claims service for the fourth grant will be available from late April 2021 until 31 May 2021.

If you are eligible, HMRC will contact you in mid-April to give you your personal claim date. This will be the date that you can make your claim from.

There will be more guidance about the fourth and fifth grants in due course.

Please contact us if you want to check your eligibility and estimate your claim.

See: <https://www.gov.uk/government/publications/self-employment-income-support-scheme-grant-extension/self-employment-income-support-scheme-grant-extension>
