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ALLENACCOUNTS

SELF-EMPLOYED INCOME SUPPORT SCHEME (SEISS)

Please be aware that the third grant of the SEISS closes for claims **this Friday 29 January 2021**.

The third taxable grant is designed to cover the 3 month period from 1 November 2020 to 29 January 2021 and is worth 80% of the applicant's average monthly trading profits. The grant will be paid out in a single instalment and is capped at £7,500 in total.

To make a claim for the third grant the business must:

1. Be a self-employed individual or a member of a partnership. An individual cannot claim the grant if they trade through a limited company.
2. Have traded in both the tax years 2018/19 and 2019/20.
3. Have submitted a 2018/19 self-assessment tax return on or before 23 April 2020.
4. Have had a new or continuing impact from coronavirus between 1 November 2020 and 29 January 2021.
5. Either be currently trading but are impacted by reduced activity, capacity or demand; or have been previously trading but are temporarily unable to do so due to coronavirus.
6. Declare that they intend to continue to trade, and that they reasonably believe that the impact on their business will cause a **significant reduction in their trading profits**.

7. Only claim if the reduction in profits is caused by reduced business activity, capacity or demand, or inability to trade due to coronavirus during the period 1 November to 29 January 2021.

HMRC say that they have attempted to contact all self-employed people in the UK that may be eligible and, as with previous SEISS grants, claims can only be made by business themselves (not agents such as ourselves)

Similar to the first and second SEISS grants, this third SEISS grant will also be subject to Income Tax and self-employed National Insurance. Alongside the first and second grants, the third SEISS grant should be reported on 2020/21 Self-Assessment tax returns (filing deadline 31 January 2022).

HMRC announced before Christmas that there will also be a fourth SEISS grant designed to cover the three-month period from February 2021 to April 2021. We have not yet heard anything on this will tell you more once the guidance is issued, including how much it will be and the rules for claiming.

<https://www.gov.uk/guidance/claim-a-grant-through-the-self-employment-income-support-scheme>

PAYING DEFERRED VAT

Businesses who deferred VAT due from 20 March 2020 to 30 June 2020 have the following options:

1. pay in full on or before 31 March 2021; or
2. opt in to a new scheme that allows payment in 11 monthly instalments beginning in March 2021.

We have had a number of clients ask how to sign up for this new scheme but unfortunately the online process is not yet available. We are told it will be up and running 'in early 2021'.

As a reminder these payments will be interest free but all instalments must be paid by the end of March 2022.

Businesses will need to opt-in to the scheme and agents such as ourselves are unable to set this up on a client's behalf. The VAT Deferral New Payment Scheme will require a Direct Debit to be set up as part of the digital opt-in process and this

must be done by the authorised bank account holder.

HMRC have stressed that business who can pay their deferred VAT should still do so by 31 March 2021.

We will let you know the details as soon as we can.

<https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19>

The Team at Allens



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