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Self-Employment Income Support Scheme (SEISS) – Fourth Grant

HMRC has confirmed that it will be contacting self-employed individuals eligible for the fourth SEISS grant in mid-April to give a personal claim date for making an application.

Communications will be sent either by e-mail, letter or within the online service.

Full details can be found at <https://www.gov.uk/guidance/claim-a-grant-through-the-self-employment-income-support-scheme>

The fourth grant is designed to cover the three-month period from February to April 2021.

The online service to claim the fourth grant will be available from late April 2021 and all claims must be made by 1 June 2021.

Claims must be made by the individual and cannot be processed by a tax agent such as ourselves as this will trigger a fraud alert which will delay payment.

To be eligible for the fourth grant you must be a self-employed individual or a member of a partnership. **Grants are not available if you trade through a limited company.** Trading profits must be no more than £50,000 and at least equal to or more than your non-trading income.

Unlike the first three grants, the fourth (and fifth) grant will take into account

2019/20 tax returns and will be open to those who became self-employed in the tax year 2019/20. Eligibility will be based on 2019/20, or the four year period spanning 2016/17 to 2019/20. You must have submitted your 2019/20 tax return to HMRC by 2 March 2021 to be eligible.

The grant will be set at 80% of three months' average trading profits, paid out in a single instalment and capped at £7,500.

There is no requirement that an earlier SEISS grant has been claimed in order to be able to claim the upcoming fourth grant.

With the exception of the introduction of the 2019/20 returns and the four-year average, the rest of the eligibility criteria remain unchanged. This means that to be eligible for the fourth grant self-employed individuals must:

- be currently trading but are impacted by reduced activity, capacity or demand due to coronavirus; or
- have been trading but are temporarily unable to do so due to coronavirus.

And they must declare that they:

- intend to continue to trade; and
- that they reasonably believe that they will suffer a **significant reduction in their trading profits** in the basis period in which the qualifying period falls because of reduced activity, capacity or demand due to coronavirus.

HMRC say that they expect applicants to make an honest assessment about whether they reasonably believe their business will have a significant reduction in trading profits for the accounting period. HMRC say they cannot make this decision on behalf of applicants because your individual and wider business circumstances will need to be considered when deciding whether the reduction is significant.

Please see HMRC's detailed guidance at <https://www.gov.uk/guidance/how-your-trading-conditions-affect-your-eligibility-for-the-self-employment-income-support-scheme#impactedbyrd>

We would highly recommend that applicants keep any evidence that their business has had reduced activity, capacity or demand due to coronavirus at

business has had reduced activity, capacity or demand due to government restrictions at the time they made their claim, such as business accounts showing reduction in activity compared to previous years, records of reduced or cancelled contracts or appointments, and a record of dates where they had reduced demand or capacity due to government restrictions.

To make a claim, applicants will need the following:

- Self-Assessment Unique Taxpayer Reference (UTR);
- National Insurance number;
- Government Gateway user ID and password; and
- UK bank details including account number, sort code, name on the account and address linked to the account.

HMRC will check claims and take appropriate action to withhold or recover payments found to be dishonest or inaccurate with a penalty system in place.

SEISS – Fifth Grant

There will also be a fifth (and final) grant covering May to September 2021.

It will introduce an additional turnover test and the amount of the grant will be determined by how much turnover has been reduced in the year April 2020 to April 2021.

The grant will be worth 80% of three months' average trading profits, capped at £7,500, for those with a higher reduction in turnover (30% or more). For those with a lower reduction in turnover, of less than 30%, then the grant will be worth 30% of three months average trading profits, capped at £2,850.

The online claims service for the fifth grant will open in late July 2021. Further details will be provided on the fifth grant in due course.

The Team at Allens



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