

Self-Employed Income Support Scheme (SEISS) 4th Grant Claim

What period does the 4th grant cover?

- February 2021 to April 2021 inclusive.

When can the 4th grant claim be made?

- If you are eligible, **HMRC should contact you around mid-April 2021** to provide you with a date from which you can make the claim through the Gov.UK online portal.
- The final deadline for making the claim will be 31st May 2021.

What is the eligibility criteria for the 4th grant?

- You must have been **self-employed during the 2019/20 and 2020/21 tax years**.
- You must have submitted your 2019/20 Tax Return by 2nd March 2021.
- If you commenced trading during the 2019/20 tax year, you must have provided the information requested by HMRC when they carried out a pre-verification check on you sometime between 8th March and mid-April 2021.
- **You must either be trading but impacted by reduced demand** due to the pandemic **or**
- Have been trading but are temporarily unable to do so due to the pandemic.
- **You must intend to continue to trade.**
- You must **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 the pandemic.**
- Your self-employed profits for 2019/20 tax year must be no more than £50,000 and

represent at least 50% of your total 2019/20 income **or** (if that fails)

- Your average self-employed profits for the tax years 2016/17 to 2019/20 inclusive must be no more than £50,000 and represent at least 50% of your average total income for the same period. (N.B if you commenced self-employment later than the 2016/17 then the average is over the period from the tax year you commenced trading up to and including 2019/20.

What is meant by ‘reasonably believe’ and significant reduction’?

- You must have experienced **reduced activity, capacity or demand** or to be **temporarily unable to trade in the period from 1st February 2021 to 30th April 2021**, compared with what could reasonably have been expected but for the adverse effect on the business due to the coronavirus.
- You must **reasonably believe the impact will cause a significant reduction in trading profits for the relevant accounting period as a whole (not just the 3 months ending 30th April 2021)**, compared with what would otherwise have reasonably been expected as a result of that reduced activity, capacity or demand.

What will be the size of the grant?

- The lower of 80% of 3 months average trading profits or £7,500.

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What will you need to make the claim?

- Your Unique Taxpayers Reference number.
- Your National Insurance number.
- Government Gateway ID and password.
- Bank account and sort code.

What evidence should be kept?

- A copy of the amount claimed.
- A copy of the claim reference number.
- Evidence to show the impact and reduction in your business activity across the period from February to April 2021 inclusive.
- **Evidence that, at the time of making the claim, you had reason to believe that the trading profits were going to be significantly reduced, not just for the period February to April 2021, but for the accounting periods affected.**

Important to note

- If you are eligible and commenced self-employment during the 2019/20 tax year, the average 3 months trading profits is calculated on a full 12-month period.

For example:

Joe commenced self-employment on 1st October 2019. His trading profit for the 6 months up to 5th April 2020 was £12,000. He fits all the eligibility criteria for the 4th SEISS claim. He would be entitled to £2,400.

$(£12,000/12 \text{ months}) \times 3 \text{ months} = £3,000 \times 80\% = £2,400$

- If you made earlier SEISS grant claims, and you are eligible to do so this time round, be aware that the size of the claim may be different as the 2019/20 trading profit is now being brought into account.
- **The grant will need to be reflected within your self-employed accounts and will be liable for tax and national insurance.**
- Keeping a copy of evidence backing up the reasons for your claim will help should HMRC look to review your claim in the future.
- If you have not been notified by HMRC that you are eligible to make a claim or you are not sure whether you fit the eligibility criteria please do not hesitate to contact us.

Is there likely to be a fifth SEISS claim?

- Yes, it will cover the period from May to September 2021 inclusive.
- If eligible, you will be able to claim from late July 2021 onwards.
- The grant will be worth 80% of 3 months average trading profits, capped at £7,500, for those with a turnover reduction of 30% or more **or**
- 30% of 3 months average trading profits, capped at £2,850, for those with a turnover reduction of less than 30%.

If you wish to discuss the SEISS Grant or other issues

please do contact us.