

Your Questions Answered

This Frequently Asked Questions Sheet provides an overview of what Government advice and support is available for people who are self-employed during the Coronavirus (COVID-19) outbreak.

For tailored advice on any of the issues discussed in this FAQ or any other aspect of employment law, please call (028) 9024 4401 and ask to speak to an employment law adviser.

What is the current Government advice for people in work?

The UK is currently in the 'delay' stage of its Coronavirus response plan. This means that extraordinary measures are being taken in order to contain the spread of the virus. For workers and employees, the principal advice is to work from home unless absolutely necessary. Businesses, except those on the NI Executive's '[Essential Businesses and Services List](#)' should either move their staff to work from home, if possible, or close. If your workplace hasn't closed and working from home isn't possible, you should take additional precautions. These include:

- Avoid busy commuting times on public transport.
- Avoid gatherings of people, whether in public, at work or at home.
- Frequently clean and disinfect objects and surfaces that are touched regularly (such as tills, computer mice, desks, tools and machinery controls).
- Do not shake hands with those you meet.
- Wash your hands thoroughly and regularly.
- Catch sneezes and coughs in tissues or sleeves.

What if I start to feel ill in work?

If you become ill with a new, continuous cough or a high temperature, you should go home. You should stay there and 'self-isolate' for seven days from when your symptoms started. If you live with others (family or housemates), they must also stay

at home for fourteen days from this date. For healthcare advice or guidance, please use the [NHS 111 online coronavirus service](#).

What support is available?

The UK Government has announced a new scheme to support some self-employed people during this time. The scheme, known as the Self-Employed Income Support Scheme, provides a direct, taxable cash grant into your bank account every month. The grant amount will be 80% of your average monthly income up to a maximum of £2,500 per month.

To qualify for the scheme, you must have:

- Lost trading or partnership trading profits due to the outbreak.
- Average trading profits of £50,000 or lower per year.
- Traded in the 2019-20 tax year.
- Submitted, or be about to submit, a self-assessment tax return for the 2018-19 tax year.

In addition, at least half your total income must be from self-employment and you must intend to continue to trade in the 2020-21 tax year.

If you meet these criteria, HMRC will contact you directly to help you apply for the scheme. The scheme will not pay out immediately – instead, the scheme will issue its first payment at the start of June 2020. This will be a lump-sum payment, which will include your allowance for three months. From then on, if the scheme continues it will pay you a month at a time.

How is my average monthly income worked out?

Your average monthly income will be based on your stated earnings on your tax returns over the last three years. If you haven't been self-employed for three years, HMRC will look at your tax returns for however long you have been. You must have at least submitted, or be about to submit, a tax return for 2019 to apply for the scheme.

Will I need to pay this back?

No, this is a grant. You will not need to pay it back.

I am self-employed but have not yet submitted my tax return for 2018-19. Can I still qualify for the scheme?

The UK Government has also announced an extension of four weeks, until Thursday 23 April 2020. This will allow those who are late filing their 2019 tax returns to do so.

I only started self-employment during the 2018-19 tax year. Will my earnings be worked out on a ‘pro-rata’ basis, as if I had worked for the full year?

No. For example, someone who was self-employed for 6 months during 2018-19 tax year and earned £10,000 will have their average annual income calculated at £10,000 – not £20,000.

I work as a freelancer, or a similar work-arrangement, and am paid via PAYE. Am I eligible for the scheme?

No. You should contact the company or companies you work for and ask them to put you on the Government’s Coronavirus Job Retention (Furlough) scheme.

I am a director in my own limited company and pay myself using dividends. Do I qualify for the scheme?

No. You should explore what options are available for you through the welfare system ([see below](#)) or through the business support schemes that have been set up. For more information on business support schemes, [please click here](#).

I need financial support between now and when I receive my first payment under the scheme. What other support is available?

Or

I don't qualify for the Self-Employed Support Scheme. What other support is available?

If you are unable to work, you may be able to claim Universal Credit (UC). You may be able to claim 'new style' Employment and Support Allowance (ESA), either on its own or in addition to UC. If, based on your normal income, you did not previously qualify for Child Benefit (CB) and your income has dropped you may also be able to apply for CB.

In response to the Coronavirus (COVID-19) situation the government has temporarily removed the 'Minimum Income Floor' for UC that would normally apply to the self-employed.

Please note that benefits are very complex. **We strongly recommend you seek advice before making a benefits claim**, particularly if you are already claiming other benefits. You can access free, specialist advice on benefits from Law Centre NI by calling **(028) 9024 4401** and asking to speak to one of our social security advisers.

You may also qualify for the Coronavirus Business Interruption Loan Scheme for small businesses. For more information on this scheme, [please click here](#).

How do I apply for benefits?

You can [apply for UC online here](#).

To apply for ESA, you should contact the Northern Ireland Employment and Support Allowance Centre on 0800 085 6318. More information on making an ESA claim [can be found here](#).

No face-to-face contact is likely to be required when applying for either of these benefits during the outbreak, unless exceptional circumstances arise.

We strongly recommend you seek advice before making a benefits claim.

I am facing severe financial difficulties. Is there anything else I can do?

If your situation places you or your immediate family's health, safety or wellbeing at significant risk, it may be possible to apply to the Government's Financial Support Service for assistance. In these circumstances, you can apply for Discretionary Support via a dedicated freephone service on 0800 587 2750. You can also apply for Discretionary Support using an online form, [available here](#).

Is any Tax Relief Available?

Alongside the support available through the benefits system, the UK Government has also provided some tax relief for the self-employed. If you pay Value Added Tax (VAT), you will benefit from a VAT deferral. VAT due on 20 March 2020 is now due on 31 March 2021. And Income Tax payments due in July 2020 under the Self-Assessment system have been deferred until January 2021.



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