

## **Guidance on the self-employed income support scheme during the Covid-19 crisis**

*1 June 2020*

On 26 March the government announced support for those who are self-employed during the Covid 19 emergency and by the end of May over 2.3 million claims had been made under the scheme.

The latest advice on the scheme and how to claim under it can be found at:

<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

The scheme is only open to self-employed people who:

- have submitted an income tax self-assessment tax return for the year 2018-19\*
- have been working in the tax year 2019-20
- if not working, reason is Covid-19
- intend to work in the year 2020/21
- have lost profits due to Covid-19
- have trading profits of less than £50,000
- have more than half their income from self-employment.

### **First grant**

This scheme will allow self-employed people to claim a taxable grant worth 80% of their trading profits (the average of the last 3 years) up to a maximum of £2,500 per month for the next 3 months. Applications for the first grant opened on 13 May 2020 and will close on 13 July 2020.

The grant will be paid into bank accounts in one lump sum.

### **Second grant**

The government have now announced a second grant which they state will be the final grant.

Eligible individuals can claim a taxable grant worth 70 per cent of their average monthly trading profits, paid out in a single instalment covering three months' worth of profit, and capped at £6,570 in total.

An individual does not need to have claimed the first grant in order to be eligible for the second and final grant. Applications for the second grant will open in August 2020.

Further information on the second grant will be available on GOV.uk on 12 June 2020.

UCU may have a small number of genuinely self-employed members who may benefit from the scheme and we would obviously encourage you to apply if you qualify.

However, we are also aware that we have many members on casualised contracts who the employer does not regard as employees or workers but who will not qualify for the self-employed support scheme.

It is important that branches negotiate with employers that they will continue to pay all staff during the Covid 19 emergency, even if they are on some form of casualised contract.

If your employer is claiming that staff are genuinely self-employed then ask them to confirm that they would be eligible under this scheme – if not the employer should be covering lost income if staff are unable to work at home. For those paid through the PAYE payroll, the employer may be able to seek support through the government's Coronavirus job retention scheme (see: [https://www.ucu.org.uk/media/10842/UCU-guidance-on-the-Coronavirus-job-retention-scheme/pdf/UCU\\_CJRS\\_furlough\\_guidance](https://www.ucu.org.uk/media/10842/UCU-guidance-on-the-Coronavirus-job-retention-scheme/pdf/UCU_CJRS_furlough_guidance))