



## **Help for the self-employed during the coronavirus outbreak**

The Government has announced a large number of initiatives and policies to help business and individuals avoid financial hardship due to the coronavirus outbreak. While it took a while for anything really significant to be announced to help the self-employed, the support announced on the 26<sup>th</sup> March should be helpful for much of the freelance yoga teaching community. We're keen to try and help you all understand it and (hopefully) benefit from it as quickly as possible.

Here's a few details summarised to the best of our knowledge - it should help you understand whether you're eligible for this support, how much you might be eligible for and how and when you can access this.

Details are still emerging and will continue to do so for some time, but we wanted to get something out to you quickly, even if it means there are still certain gaps. It is not intended to be financial or legal advice (which we are not qualified to give), but simply a guide, based on our understanding of the information available. We'll keep you updated and we're absolutely happy to try and help advise where possible.

### The top lines:

The Chancellor announced an initiative to help support the self-employed during this coronavirus crisis by way of a grant. Here are the top lines:

- The Government has committed to pay a grant to the self-employed of up to **80% of monthly profits** (taken as an average over the past three years, according to your annual tax return) - **up to a maximum of £2,500 a month**;
- This will initially cover **3 months' of pay** (and may be extended). It will be paid in one initial lump sum;
- It will be **paid by the beginning of June** and backdated 3 months (covering March, April & May) - it may be quicker than this, depending how quickly HMRC build their system.

Two simple examples:

If you've earned an average income of £30,000 a year in the last 3 years and have had average tax-deductible costs of £5,000 (thus reporting an average annual profit of £25,000 in your annual Self-Assessment Tax return), you'd be due £5,000.

*(£25,000 / 12 = £2,083.33 x 80% = £1,666.66 x 3 = £5,000)*

If you've earned an average income of £50,000 a year in the last 3 years and have had average tax-deductible costs of £5,000 (thus reporting an average annual profit of £45,000 in your annual Self-Assessment Tax return), you'd be due £7,500.

*(£45,000 / 12 = £3,750 x 80% = £3,000 x 3 = £9000 (but the max is £2,500 per month - so, 3 x £2,500 = £7,500))*

A few details:

- You can continue working / earning when you claim this;
- People who've made a profit of more than £50,000 are excluded;
- It is only available to you if you make the majority of your income from being self-employed and submitted a self-assessment tax return for 2019;
- If you started trading between 2016-19, HMRC will only use those years for which you filed a Self-Assessment tax return and your average will be calculated based on the dates submitted;
- This is a grant - not a loan - so will not need to be repaid.

How to access it:

- HMRC will contact you directly (we don't yet know exactly when or how, but likely by post / email at the address / email address from your last tax return in April or May. They will ask you to fill out a form;
- HMRC will then pay the grant directly into your bank account;
- If you missed your January tax return, you've got an additional 4 weeks to submit it and thus get access to this grant.

There are more details [here](#) - and this page will be continually updated. We'll also try and follow-up with more details when they emerge