

# Applying for the Grant Funding Scheme

We hope you are all well and safe at this troublesome time. The following information relates to self-employed, small businesses, and retail, hospitality and leisure businesses.

For guidance on the Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund, please follow this

link: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/877286/small-business-grant-fund-and-retail-guidance-v3.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/877286/small-business-grant-fund-and-retail-guidance-v3.pdf)

If you are eligible to apply, and have received your letter, please enter your information

here: <https://westdevon.gov.uk/businessgrants>

## Self Employed Income Support Scheme

The recent Government announcement is aimed to support the majority of Self-Employed workers who have been adversely affected by the COVID 19 outbreak and to bring support in line with employees.

The information released so far confirms that a taxable grant will be available to the self-employed individual or a member of a partnership who meet the following criteria:

- UK individuals who submitted a 2019 tax return who earn at least 50% of their income from self-employment
- Trading profit below £50,000 in 2019 or average trading profits over the three tax years 2019, 2018 and 2017 are below £50,000
- Must be trading when applying or would have been except for COVID 19
- Must be intending to trade in the tax year 2020/21
- Have lost trading profits due to COVID 19
- Payable for at least 3 months

The Government has guaranteed to pay:

- 80% of average monthly trading profits
- Based on the past three years results
- Capped at £2,500 per month

The grant will be paid in a lump sum and will be available from June 2020. Please note that the grant will be taxable in the tax year ending 5th April 2021.

HMRC will be contacting those individuals it believes will qualify for the grant and asking them to apply online.

Please do not contact HMRC direct.

This update aims to provide an awareness of the topic. It is not intended to constitute advice. No liability is accepted for any omission or inaccuracy.

We strongly recommend that you always seek our specific advice in relation to each scenario.

### **Self-Employed Directors**

Just to clarify: dividends are not counted as self-employment income so they do not qualify for the Government Self-Employed Income Support Scheme.

Although, if you are paid a salary through the PAYE system then you can apply for the Job Retention Scheme where you could receive up to 80% of your income, up to a maximum of £2,500 per month. If you qualify, you would need to be furloughed and not do any work on the business during that time, unless it is a statutory requirement.

### **Changes to Insolvency Rules**

The government announced a relaxation of the insolvency rules so that businesses can have some breathing space to deal with any financial difficulties. This will allow Directors to pay staff and suppliers even if they fear the company may become insolvent. These measures have been designed to assist companies with extra time so they can hopefully be able to continue to trade.