COVID-19: Update on the Self-Employment Income Support Scheme and the Coronavirus Job Retention Scheme

Employment Tax **Management of taxes**

29 September 2020

There are important deadlines during October affecting the Self-Employment Income Support Scheme (SEISS) and the Coronavirus Job Retention Scheme (CJRS) which advisers should be aware of. First, for the SEISS no further claims can be made after the scheme closes on 19 October 2020; and second, for both schemes 20 October 2020 is the first deadline for notifying HMRC of any overclaims or overpayments.

The SEISS closes on 19 October 2020

Claims for the second grant, which covers the period from 14 July 2020 until 19 October 2020, must be made on or before 19 October 2020. The business must have been adversely affected by coronavirus on or after 14 July 2020 and the self-employed individual or partner must also meet all the other eligibility criteria at the time of the claim to qualify for the second grant.

A person does not need to have claimed the first grant to claim the second one. Eligibility will be checked by HMRC at the time of the second claim.

Once the claim has been completed and HMRC have verified it, they will pay the money directly into the claimant's bank account within six working days.

Like the first grant, taxpayers must make the claim themselves. Tax agents cannot make the claim on their clients' behalf. If an agent uses their clients' Government Gateway credentials to make claims on their behalf, it will trigger a fraud alert and the claim will be rejected and the business will have to reapply. This will therefore

result in delays in receiving payment.

A person should still proceed with their claim even if they disagree with the amount. They should make sure to print or screenshot HMRC's calculation. If they have an agent, they should discuss it with them. If they still disagree with the amount, they can ask HMRC to review it (to contact HMRC by telephone or webchat, see tinyurl.com/y76wzzvg). Agents can request a review of their client's award amount by contacting HMRC using the same link.

The scheme also closes on 19 October 2020 for both the first and second grant if a person qualifies under the extension which applies to individuals who would otherwise not be eligible due to the effect on their trading profits and other income in the 2018/19 tax year of military reservist activities or having a child.

The CJRS ends on 31 October 2020

Phase two of the CJRS ends on 31 October 2020 and while, at the time of writing, we do not know the closing date for submitting claims, based on phase 1's end date, this is likely to be the end of November. Claim periods must start and end in the same month and, usually, cannot be less than seven days. Grants are usually paid six working days after the claim is submitted.

Employers can only claim under phase 2 if they have previously furloughed an employee before 30 June 2020 and submitted a claim by 31 July. Only employees furloughed in phase 1 are eligible to be furloughed in phase 2 (with an exception for employees returning from statutory parental leave). Phase 2 allows employers to bring furloughed employees back to work flexibly.

The first notification period for overclaims and overpayments ends on 20 October 2020

We explained in September's issue that HMRC have issued guidance on how taxpayers should notify and repay SEISS and CJRS grants which they overclaimed or were not entitled to receive, and the possible penalty consequences if overpayments are not notified to HMRC.

For details see www.taxadvisermagazine.com/SEISSCJRSupdate.

By way of reminder, for the SEISS, the notification period ends on the later of:

- 20 October 2020, for grants received before Royal Assent of Finance Act 2020 (22 July); or
- 90 days after the date received, in all other cases.

For the CJRS, the notification period ends on the latest of:

- 90 days after the date the grant was received; or
- 90 days after the day circumstances changed so that you were no longer entitled to keep the grant; or
- 20 October 2020.

Ongoing work

The CIOT and ATT are continuing to work with members and HMRC to address queries on both schemes and provide support.
The CIOT and ATT are holding a third webinar on the SEISS on Thursday 8 October 2020 at 10am which will look at the key points to consider before the scheme closes, as well as focusing on compliance aspects once it has closed. Please look out for announcements on our websites. A recording of our first and second webinars held on 7 May 2020 and 7 July 2020 respectively and the slides used can be found on the CIOT (www.tax.org.uk/COVID19SEISSJUL) and ATT (www.att.org.uk/COVID19SEISSJUL) websites.

All the latest information can be found on the ATT and CIOT websites. The CIOT pages covering the SEISS (tinyurl.com/tg2qpo4) and the CJRS (tinyurl.com/y33dd3do) are frequently updated as we receive more information, as are the ATT detailed guidance notes on the SEISS (tinyurl.com/y83kycjy) and accompanying FAQs (tinyurl.com/yaufvsnn) and the guidance notes on the CJRS (for employers, see tinyurl.com/y3kkg2kn; and for employees, see tinyurl.com/y23o4ak9).

Please continue to send queries and feedback on the schemes to either technical@ciot.org.uk or atttechncial@att.org.uk, and do keep an eye on our websites for all the latest information.