

MC2021/09336



HM Treasury

Holly Mumby-Croft MP  
House of Commons  
London  
SW1A 0AA

1 April 2021  
HM2811

Dear Holly Mumby-Croft,

Thank you for your correspondence dated 5 March regarding the fourth Self-Employment Income Support Scheme (SEISS) grant. The Chancellor of the Exchequer has asked me to write to you directly.

The Government announced at Budget 2021 that the SEISS will continue until September, with a fourth and a final fifth grant. This provides certainty to business as the economy reopens, and means the SEISS will continue to be one of the most generous schemes for the self-employed in the world.

The Government has also announced a major improvement in access to the SEISS. As the deadline for 2019-20 tax returns has now passed, HM Revenue and Customs (HMRC) will use these tax returns for the fourth and fifth grants, provided they were submitted by 2 March. The effect of this is that more than 600,000 people, many of whom became self-employed in 2019-20, may now be able to claim the fourth and fifth grants, bringing the total number of people who could be eligible to 3.7 million.

The fourth SEISS grant will be available to claim from late April, and will be worth 80% of average trading profits, paid out in a single instalment covering three months' worth of annual profits, and capped at £7,500 in total. This reflects that HMRC need to process the data received in millions of 2019-20 Self Assessment returns.

Using these returns will take some time to deliver, due to the increased population and new data. Guidance on how to claim the fourth grant will be made available in due course. Moreover, in recognition of the pressures that many people have faced due to Coronavirus, the Government wanted to provide a breathing space by waiving the penalty for the late filing of tax

returns received by 28 February, a full month after the 31 January statutory deadline. Self Assessment returns which were filed by 2 March can be taken into account for the fourth and fifth SEISS grant. Further information is available on GOV.UK: [www.gov.uk/government/publications/self-employment-income-support-scheme-grant-extension](http://www.gov.uk/government/publications/self-employment-income-support-scheme-grant-extension).

The fifth and final SEISS grant, covering May to September, will include a turnover test, similar to those in operation in other countries' schemes, in order to ensure that the most generous support is targeted at those who need it the most. This will determine whether individuals can continue to receive a grant worth 80% of three months' average trading profits, capped at £7,500 or a 30% grant, capped at £2,850. The final grant can be claimed from late July.

The SEISS continues to be just one element of a comprehensive package of support for the self-employed. The temporary £20 per week increase to the Universal Credit standard allowance has been extended for six months, and the Government has decided to extend the suspension of the Minimum Income Floor for three months, to the end of July 2021, so that where self-employed claimants' earnings have fallen significantly, their Universal Credit award will have increased to reflect their lower earnings. In addition, those affected may have access to other elements of the package, including Restart Grants, the Recovery Loan scheme, business rates relief, and other business support schemes.

Yours sincerely,

Michael Wilkins  
Correspondence and Enquiry Unit  
HM Treasury