

It's hard to keep upbeat right now, but it's important to remember that this too, will pass. Being proactive is the best thing we can all do right now. I am sure you are like me pleased that the government is pumping money into small businesses. But what happens if you are self-employed or trade as a sole trader rather than limited business?

So, below is a summary of what help is available for you if you are self-employed or worried about your personal financial affairs.

Self-Assessment

Self-Assessment payments will be deferred until Jan 2021

Universal credit: can you claim this?

Universal Credit is a monthly payment to help with your living costs. It is available for anyone, even if you are self-employed. But as always you need to meet fairly specific criteria; namely you are on a low income or out of work. If you're expected to look for and be available for work, then it needs to be identified whether you're 'gainfully self-employed'.

Gainful self-employment means that:

- your main employment is self-employment
- you have self-employed earnings
- your work is organised, developed, regular and in expectation of profit

As you would expect, you must provide evidence about your business and what you are earning through your business.

If you're gainfully self-employed, your Universal Credit payment may be calculated using an assumed level of earnings, called a Minimum Income Floor. It's based on what an employed person on minimum wage would expect to earn in similar circumstances. If you earn more than this, then your Universal Credit amount is based on your actual earnings. If you earn less, the Minimum Income Floor is used to work out how much you can get. You may need to look for additional work to top up your income.

The latest news from the chancellor as of 20th March, 2020 is:

- The minimum income floor will be suspended for everyone affected by coronavirus.
- This means self-employed people will be able to access Universal Credit. equivalent to statutory sick pay.
- Universal Credit standard allowance will be increased by £1,000 for the next 12 months as will Working Tax Credit.

To check if you are eligible for Universal credit go to: <https://www.gov.uk/self-employment-and-universal-credit>

Mortgage Repayment

From 17th March you can ask for up to a three-month repayment deferment on your mortgage to give you some breathing space. This deferment applies to homeowners and buy-to-let landlords, to allow them to pass on the payment reduction or deferment to their tenants. It will not affect your credit score. However, you must agree your repayment deferment with your bank, otherwise you may skip a payment and it will show a default on your credit score. Please speak to your bank if you want to organise a deferment on your mortgage.

The payment holiday is automatic, as long as you are up to date with your payments, and there is no assessment of income and expenditure.

Rent

The chancellor announced nearly £1bn of support by increasing the generosity of housing benefit and Universal Credit, so that the Local Housing Allowance will cover at least 30% of market rents in your area.

Landlords cannot start eviction proceedings for the next 3 months.

Talk with your network and get creative

We might be self-isolating, but we're not hibernating! This is the time to get talking to your network. Firstly, pick up the phone, email or message via social media. Your network may be aware of some opportunities for you to generate some work. Now, is also the time to be creative with your skill set. For example, if you run a hospitality business and can't work from home, how about offering skype one-to-one cooking classes?

Event cancellations

If you lost money due to an event being cancelled the outline is:

1. Contact the organiser first
2. Organisers that postpone events don't have to refund until they announce the new date
3. Ask your ticketing platform about refunds
4. If you are struggling to get a refund, then your credit card provider could help with this

You might not get all your money back – but it's worth fighting for.

Time to Pay Arrangement

Lastly, a dedicated Helpline has been set up to help businesses & self-employed in financial distress and with outstanding tax liabilities. Call this helpline to agree a bespoke Time to Pay arrangement with HMRC. This is where you agree with HMRC a bespoke payment plan for your outstanding tax liabilities.

If you are concerned about being able to pay your tax due to COVID-19, talk to us first (020 8819 8762) as we can help you plan your call to HMRC's dedicated helpline on 0800 0159 559.