

28Covid-19 Information Sheet: Self-Employed and Gig Economy Workers

This information sheet has been produced by students from BPP's Pro Bono Centre under the supervision of legally qualified staff members. The information contained in this document is accurate as of 08 April 2020

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Self-employed individuals

I am self-employed, what financial support is available for me?

Through the Self-Employment Income Support Scheme (SEISS), you could be eligible to claim a taxable grant worth 80% of your trading profits for the next three months, as of 26th March 2020. This scheme may be extended if necessary and will be available to claim from June.

A maximum of £2,500 per month will be available and to determine the amount will depend upon your average monthly trading profit over the last three years. If you have been self-employed for less than three years, your grant will be calculated from the year or years for which you filed a Self-Assessment tax return.

To be eligible you must satisfy the following:

- Submitted your Income Tax Self-Assessment tax return for 2018-19 tax year (**You must do this by 23rd April 2020 to be eligible if you haven't submitted already**)
- Traded in the tax year 2019-20
- Are trading when you apply, or would be except for COVID-19
- Intend to continue trading in the 2020-21 tax year
- Have lost trading/partnership trading profits due to COVID-19
- Your profits must be less than £50,000
- More than half of your income must come from self-employment**

This grant is not exclusive of any continuing work you are able to receive, and any continuing work will not impact your ability to get a grant.

If you are eligible for this scheme, you will be contacted by the HMRC and invited to apply online. There is no immediate action that you need to take. This scheme will only be available through [GOV.UK](https://www.gov.uk). HMRC will pay the grant directly into your bank account.

I am not eligible for support, what other options do I have available?

There are several other options available for self-employed people who are not eligible for SEISS including Benefit Support and Income Tax Payment Deferrals. BPP Pro Bono Centre

has produced an Information Sheet detailing the benefits currently available during the COVID-19 pandemic. This can be viewed on the Pro Bono Centre website: <http://probono.bppuniversity.ac.uk/blog/>.

Universal Credit:

People will be able to claim Universal Credit and access advance payments where they are directly affected by COVID-19 (or self-isolating), without the current requirement to attend a job centre.

The Minimum Income Floor in Universal Credit will be suspended 'for everyone affected by the economic impacts of coronavirus'. This means that self-employed people can now access Universal Credit at a rate equivalent to Statutory Sick Pay for employees (approximately £94.25 per week).

From the **6th of April 2020**, individuals who are single and aged 25 and over are eligible for a monthly standard allowance of up to **£409.89**. This amount may change based on other factors, such as whether you have dependents and what your earnings are.

Contributory/New Style Employment and Support Allowance (ESA):

If you are ill or have a health condition that limits your ability to work, you may be able to get New Style ESA. More information about this is available in the Information about Welfare Benefits factsheet.

Please note that although ESA can be claimed alongside Universal Credit, you are unable to receive ESA if you are also receiving Statutory Sick Pay, Statutory Maternity Pay or Jobseeker's Allowance.

What if I am struggling to pay my income tax?

Individuals due to pay second self-assessment Income tax payments **due on the 31st of July 2020 are also able to defer payments until 31st January 2021**. Access to this scheme is automatic and no penalties or interest for late payment will be made if payments are deferred until January 2021.

This is an optional scheme and individuals who are able to pay their second payments by the 31st of July 2020 are advised to do so.

For individuals unable to pay any outstanding tax bills due to Covid-19, the HMRC's Time to Pay service is available for tailored arrangements for payments. To be eligible you must:

- Have a business that pays tax to the UK government
- Have outstanding tax liabilities.

The HMRC's contact information can be found below to arrange a meeting with an adviser.

I am a self-employed business owner, what other help is available for me?

Coronavirus Business Interruption Loan Scheme (CBILS)

The temporary CBILS is available to self-employed business owners running small and medium-sized businesses (SMEs) and offers access to a maximum of **£5 million** with repayment terms of up to **six years** for term loans and asset finance and **three years** for overdrafts and invoice finance facilities.

More Information on this scheme is available in the 'Information for Business Owners' factsheet on the BPP Pro Bono Centre website.

The scheme is now open for applications. All major banks are offering this scheme. Please note that help is only available through a CBILS accredited lender or partner.

VAT Payment Deferrals

Business-owners with a VAT-registered UK business are also **automatically eligible for VAT deferral payments if they have a VAT payment due between the 20th of March and the 30th of June 2020**. You do have the option to pay the VAT due as normal if you prefer to do so.

Customers with payments made by direct debit should ensure their direct debits are cancelled to prevent HMRC automatically collecting payments when VAT returns are received.

Gig Economy workers

I am a gig economy worker and off sick because I have a suspected/diagnosed case of COVID-19, what help is available for me?

You may be entitled to claim Statutory Sick Pay (“SSP”) if you are a gig worker and/or on a zero hours contract. You will also be eligible for SSP if you have to self-isolate because someone you are living with is self-isolating.

To qualify for SSP you must be on the PAYE payroll and:

- Be classed as an employee and have done some work for your employer
- Earn an average of at least £118 per week

If you are unsure whether or not you satisfy the above requirements, please contact your place of work or look on the [GOV.UK](https://www.gov.uk) website for further information.

You could receive £94.25 per week and it will be paid from day one of your absence from work. More information about this is available in the ‘Information for Employees’ factsheet on the BPP Pro Bono Centre website.

If you are not entitled to SSP, you can claim **Universal Credit**, which officials have advised can take up to five weeks to come through from 26th March. Additionally, you can apply for the New Style Employment and Support Allowance. Please see above for further information.

Am I eligible for the Self-Employment Support Scheme?

Some gig economy workers are entitled to claim under this scheme (as explained above), but not all. From the information currently available, it appears that:

- Workers paid under the Construction Industry Scheme could claim the Self-Employment Support Scheme

However,

- If you are a PSC contractor and have been paid or treated yourself as outside the IR35 you will not benefit under this scheme, but you may claim through the Coronavirus Job Retention Scheme
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What other support is available for me?

We encourage you to contact your local authority and the Citizens Advice Bureau if you feel you are not covered by any of the available support. The Independent Workers' Union ("IWGB") have started legal action through the law firm Leigh Day against the UK government on behalf of gig economy workers, claiming SSP arrangements discriminate against BAME workers, women and workers in the gig economy.

If you are a member of this Union, you should be notified of updates and we encourage you to stay vigilant on how this action progresses. Their website is linked below, and visiting the social media accounts of IWGB and Leigh Day will keep you informed of their action.

Further Information

BPP Pro Bono Centre has produced a series of Factsheets looking at how COVID-19 impacts on a range of different people. All of our factsheets can be viewed on the Pro Bono Centre Blog here: <http://probono.bppuniversity.ac.uk/blog/>

Information and Updates

The UK Government publishes a number of documents and updates as part of the ongoing response to Covid-19. These can be found on the UK Government website here: <https://www.gov.uk/coronavirus>

The Independent Workers' Union of Great Britain has started legal action against the UK government on behalf of 'gig economy' workers. Updates can be found on their website: <https://iwgb.org.uk/en/post/iwgb-to-sue-uk-government-over-its-failure-to-protect-precarious-workers>

Wellbeing

This is an extremely difficult time for everyone. There is much uncertainty and a lot of anxiety. Along with your physical health, it is important to look after your emotional wellbeing during this period. There are a number of organisations that can help you during this difficult time.

Mind - 0300 123 3393 (Monday to Friday, 9am to 6pm) www.mind.org.uk

Samaritans - 116 123 (24 hours a day) <https://www.samaritans.org>