

Sherlock & Co

Chartered Accountants

Fourth and Fifth SEISS Grant

(First Published: 28 April 2021)

The Government announced in the budget, further help for the self-employed, with a fourth and fifth SEISS Grant.

The fourth grant covers the period 1 February 2021 to 30 April 2021 whilst the fifth grant covers the period 1 May 2021 to 31 July 2021.

The online services for the fourth Self Employment Income Support Scheme (SEISS) has now opened, meaning you can now make a claim.

To make a claim, you should visit the [government guidance page](#).

When making a claim, you will need to confirm that you meet all the eligibility criteria. The claim must be made on or before 1 June 2021.

Who can claim?

To be eligible for the fourth grant you must be a self-employed individual or a member of a partnership. You cannot claim the grant if you trade through a limited company or a trust.

You must have traded during both tax years 2019/20 and 2020/21 and your tax return for 2019/20 must have been submitted on or before 2 March 2021.

You must either:

- be currently trading but are impacted by **reduced demand** due to Coronavirus, or
- have been trading but are temporarily unable to do so due to Coronavirus.

You must also declare that you:

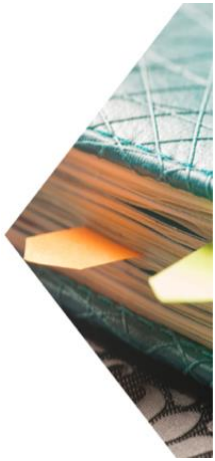
- intend to continue to trade, and
- reasonably believe there will be a **significant reduction in your trading profits**

Claw back of the Grant

In applying for the fourth and fifth round of grants, you will need to keep evidence of the impact of Coronavirus on your business activity. You must also decide if you consider a reduction in trading profits to be 'significant', a decision HMRC says it cannot make because *"individual and wider business circumstances will need to be considered when deciding whether the reduction is significant"*. HMRC will be looking to claw back grants where they believe they should not have been claimed.

How much will I receive?

The fourth grant is calculated at 80% of 3 months' average trading profits. It will be paid out in a single instalment and capped at £7,500 in total. How much you receive will depend on your average trading profits.



HMRC will work out your average trading profits using up to 4 years of submitted tax returns up to and including 2019/2020. This may affect the amount you will get which could be higher or lower than your previous grants.

Details on the fifth SEISS grant will follow later in the year.

How the grant is treated?

The grant is subject to Income Tax and self-employed National Insurance Contributions. It must be reported on your 2021 to 2022 Self-Assessment tax return.

The grant also counts towards your annual allowance for pension contributions.

CONTACT US

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