

Disclaimer: This factsheet has not been subject to the full Eurofound evaluation, editorial and publication process.

Factsheet for case GB-2020-13/214

Self-employed income support scheme

Factsheet generated on 30 April 2020, 12:59

Country	United Kingdom, applies nationwide
Time period	Temporary, 26 March 2020 - 26 June 2020
Type	Legislation or other statutory regulation
Category	Income protection beyond short-time work – Extensions of income support to workers not covered by any kind of protection scheme
Case created	31 March 2020 (updated 28 April 2020)

Background information

The Self-employed Income Support Scheme was announced by the British government on 26 March 2020 in the context of more stringent lock-down measures which entered into force on 23 March 2020. As such measures required many self-employed individuals to close their businesses or restricted their ability to make a living, the scheme was introduced to bring support in line that available to employees under the Coronavirus Job Retention Scheme.

Content of measure

On 26 March 2020 the Self-Employed Income Support Scheme was announced to allow certain groups of self-employed individuals to claim a taxable cash grant worth 80% of average monthly trading profits over the last three years up to a maximum of 2820 Euros (£2500) for three months (could be extended). The grant will be subject to Income Tax and National Insurance contributions but does not need to be repaid. This is intended to match the protection provided to employed individuals, thus covering this group for the first time. The scheme is run directly through HMRC which contacts eligible individuals from May 2020 onwards.

Use of measure

So far unknown. There has been some criticism that businesses are likely to have to wait 5 weeks for first payments to be made (the delay is partly to accommodate firms having to file tax returns - required to be able to claim the benefit). The wait may be difficult for businesses already struggling.

Actors, target groups and funding

Actors	Target groups	Funding
National government	One person or microenterprises	National funds

Social partners

Role of social partners	Informed
Form of involvement	Other

The scheme was welcomed by both the CBI and the TUC (see sources).

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 26 March 2020: Guidance on claiming a grant through the coronavirus (COVID-19) Self-employment Income Support Scheme (www.gov.uk)
- 26 March 2020: Chancellor gives support to millions of self-employed individuals (www.gov.uk)
- 26 March 2020: Guidance: Covid-19: Support for businesses (www.gov.uk)
- 26 March 2020: Response to the measures by CBI (www.cbi.org.uk)
- 26 March 2020: TUC response to new measure (www.tuc.org.uk)