

## HOW CAN BLUE-PEAK HELP?

We know this is a worrying time for businesses and individuals with the impact of Coronavirus still unknown. If you have any questions in relation to your personal or business circumstances please get in touch with your usual Blue Peak contact or call on 018 321 9151

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## CORONAVIRUS UPDATE: Self Employed

### Highlights

*The government advice and support that has been offered to date surrounding COVID-19 has mostly been applicable to limited companies. We are aware there is an increasing push on the government to announce further measures aimed at helping those who are self-employed and we anticipate this will happen in the coming days. In the meantime there are a few initial measures you may be able to benefit from.*

- *Universal Credit*
- *Employment Support Allowance*
- *Mortgage holidays*
- *Income tax deferral*

### Universal Credit

The Universal Credit benefit scheme from the government is one way for those who are self-employed to alleviate some financial burden that may have arisen as a result of the virus. Those affected by COVID-19 will be able to apply for Universal Credit and can receive up to a month's advance up front.

It is possible to receive universal credit to help with the following:

- Housing costs (rent or mortgage)
- Living costs
- Dependent children costs

To claim Universal Credit, you will need to create a Universal Credit account on the government website and follow the instructions there. They will require information about your income, housing situation, savings, etc.

### Minimum Income Floor (MIF)

Usually if you are self-employed and are receiving Universal Credit, the government apply what is called a Minimum Income Floor, which is what you are expected to earn from work each month based on minimum wage for your age. Then your universal credit payment would be reduced by 63p for every £1 your MIF is above the Universal Credit Work Allowance (£503 or £287 if getting help with housing costs). This would be bad news for anyone losing earnings as a result of COVID-19 since the payments would always be based off your MIF.

However, in light of the current situation, self-employed claimants on Universal Credit who are required to stay at home or are ill as a result of COVID-19 will not have a MIF applied for a period of time while affected. This means no reductions in Universal Credit payments will occur during the outbreak.

### **Employment Support Allowance (ESA)**

On top of Universal Credit, you may be able to apply for Employment Support Allowance depending on your individual situation. This is a fortnightly regular payment which can be claimed if you have suddenly become too ill to work and you have paid and/or been credited with enough National Insurance contributions over the past 2 to 3 years. It also depends on the level of savings you or your partner may have between you and whether you are already receiving Universal Credit.

The government recently announced that this will be payable from day one (previously it was day eight).

To apply for ESA, you need to fill in the 'New Style' Employment and Support Allowance (ESA)" claim form which can be downloaded from the government website.

### **Mortgage Holidays**

The government has agreed with mortgage lenders that those financially impacted by coronavirus should be entitled to a three month payment holiday. This also applies to landlords whose tenants experience financial difficulties. This should be available to those who are up to date on their repayments.

For more information on this, please contact your lender or landlord.

### **Income Tax Deferral**

Income tax payments due by July 2020 under the Self-Assessment payment on account system will be deferred to January 2021.

### **Information websites**

<https://www.gov.uk/coronavirus>

<https://www.nhs.uk/conditions/coronavirus-covid-19/>

<https://www.gov.uk/universal-credit>