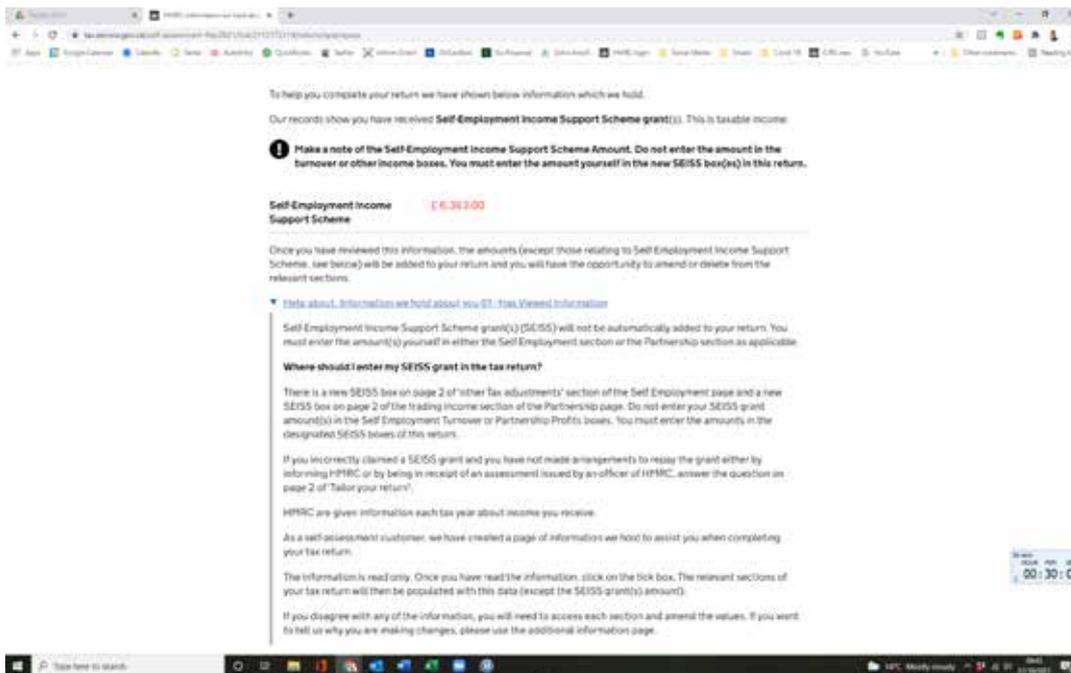




HOW TO COMPLETE YOUR SELF-ASSESSMENT TAX RETURN: 2020/2021

If you file self-assessment tax returns and received government coronavirus support (such as SEISS) then you may end up with a larger tax bill unless you tailor your return. This guide will help you. If you want further help, contact the Guidon Group team on 01642 927265 or email info@guidongroup.co.uk

When you initially login to your HMRC government gateway account you will see a summary of the amount of SEISS grant you have received. You will need this figure to input in the Other tax adjustments section of the return.



The screenshot shows a web browser displaying the HMRC government gateway account. The page title is "HMRC: Information for business". The main content area contains the following information:

To help you complete your return we have shown below information which we hold.

Our records show you have received **Self-Employment Income Support Scheme grant(s)**. This is taxable income.

1 Make a note of the **Self-Employment Income Support Scheme Amount**. Do not enter the amount in the turnover or other income boxes. You must enter the amount yourself in the new SEISS box(es) in this return.

Self-Employment Income Support Scheme £ 6,362.00

Once you have reviewed this information, the amounts (except those relating to Self-Employment Income Support Scheme, see below) will be added to your return and you will have the opportunity to amend or delete from the relevant sections.

[Hide about information we hold about you \(1\) | Viewed information](#)

Self-Employment Income Support Scheme grant(s) (SEISS) will not be automatically added to your return. You must enter the amount(s) yourself in either the Self-Employment section or the Partnership section as applicable.

Where should I enter my SEISS grant in the tax return?

There is a new SEISS box on page 2 of 'other tax adjustments' section of the Self-Employment page and a new SEISS box on page 2 of the Trading Income section of the Partnership page. Do not enter your SEISS grant amount(s) in the Self-Employment Turnover or Partnership Profits boxes. You must enter the amounts in the designated SEISS boxes of this return.

If you incorrectly claimed a SEISS grant and you have not made arrangements to repay the grant either by informing HMRC or by being in receipt of an assessment issued by an officer of HMRC, answer the question on page 2 of 'Tailor your return'.

HMRC are given information each tax year about income you receive.

As a self-assessment customer, we have created a page of information we hold to assist you when completing your tax return.

The information is read-only. Once you have read the information, click on the tick box. The relevant sections of your tax return will then be populated with this data (except the SEISS grant(s) amount).

If you disagree with any of the information, you will need to access each section and amend the values. If you want to tell us why you are making changes, please use the additional information page.

The screenshot also shows a Windows taskbar at the bottom with the system tray displaying the date and time as 14/04/2020 10:30:00.



Section 3 – Tailor Your Return

If you were employed by a company last tax year but are no longer employed by them it's a bit of long-winded process to go through. It isn't easy to understand what you need to do or how to do it.

On Section 3 of your return, unfortunately you cannot just select "No" on the 1st question asking whether you were an employee. That would be way too easy!! If you do this then an error message then appears stating that you have to delete the section. However there is no option to delete it on this particular page.

At this stage **DO NOT** continue to complete the rest of this section as you will only have to re-do it all later, causing you much more stress!

You have to come out of this section by clicking on **Welcome** on the File a return menu on the left hand side. This takes you to **Check Your Progress**. Find the **Employment Section**, click on the job you no longer have then delete the section. Repeat as necessary.

Then you have to go back into **Enter Your Tailored Return** (page 1) and now you can change the answer to the first question to No.

Now you can fill in the rest of the section without tearing your hair out!



Section 4 – Fill In Your Return

The first question asks about your turnover. This is the total of your sales for the period 6/4/2020 to 5/4/2021, whether cash, card, BACS or cheque. **DO NOT** include any grant money.

The 2nd question you enter the total grants received from local authorities, councils, the CJRS scheme, Eat Out to Help Out scheme (exc VAT) or from any other Coronavirus support.

DO NOT input any SEISS grant money here. **DO NOT** input any furlough money you received as an employee either. Do not be fooled thinking that this is an optional question as stated. If you received any grant money you have to declare it, otherwise HMRC will find out and will fine you or, worse, for fraudulently submitting your self-assessment.

Later on, under 'Other tax adjustments', you will be asked to input the amount of SEISS grant you received. **Do not for one second think that because the question says its optional you do not need to complete it.** HMRC already has a record of what grant you were paid you, as you discovered when you started your tax return. If you do not enter that figure here, be warned that they will be ruthless in their approach and you may be charged with fraud!!

It is only optional if you have NOT received any SEISS grant.



Tax Calculation

If your profits are £6475 you need to pay Class 2 NIC's at £3.05 per week.

If profits below this you don't have to pay but may want to pay voluntarily to protect your entitlement to the State pension

If you have a job as well as being self employed and owe below £3000 in tax you can opt to have the tax taken through your employment in the 2021-2022 tax year. HMRC will amend you PAYE code and hence you will pay more tax over the next year. However, in order to do this you must submit your self assessment return online before 31 December 2021. However, you can just pay the tax as one lump sum by 31 January 2022 instead.

If you are not an employee of a company then this does not apply.



Payments on Account

If your tax bill is more than £1000 HMRC will want you to pay towards next years tax bill, otherwise known as a payment on account, as they assume that your tax bill next year will be similar to this year. The first payment is due on 31 January 2021 and the 2nd payment is due on 31st July 2021.

So at the end of January you'll not only have your current tax bill to pay but you'll have to pay of next years.

However, the coronavirus grants will have increased your income and if you've been forced to close due to lockdown your expenses will be lower than normal. So your tax bill this year is probably higher than normal.

This is where you need the expertise of a bookkeeper or Accountant so they can help you reduce your tax bill legally this year and know how to reduce your payments on account for the following year.



Notes

4th & 5th SEISS grants to be included in the 2021/2022 tax year.

All coronavirus business support grants and payments are taxable. These include:

- Self Employment Income Support Scheme (SEISS)
- Test and trace or self-isolation payments
- The Coronavirus Job Retention Scheme (CJRS)
- Eat Out to Help Out
- Coronavirus Statutory Sick Pay Rebate
- Small Business Grant Fund
- Retail, Hospitality and Leisure Grant Fund
- Local Authority Discretionary Grant Fund





If you want further help, contact the Guidon Group team
on 01642 927265 or email info@guidongroup.co.uk

Look out for other Guidon Group Guides at www.guidongroup.co.uk

Guidon Group – here to guide you through the maze of business accounts & compliance

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