

Written evidence submitted by Daniel Franks

I am writing regarding the Self-Employed Income Support Scheme (SEISS). I have written to the Chancellor (02/04/20), the Shadow Chancellor (26/04/20) and to my local Member of Parliament (02/04/20) but have yet to receive any acknowledgement of my issues outlined.

As you are aware, the limit to qualify for the SEISS grant is an average trading profit of less than £50,000 for the tax years 2016-17, 2017-18 and 2018-19. The reason given by the Chancellor for the cliff edged threshold was that the majority of people earning over £50,000 earn closer to or greater than £200,000. Although I can envisage someone with trading profits close to £200,000 may not necessarily require aid from the scheme, I fail to contemplate the fairness for people just breaching the £50,000 threshold to access the grant. I feel being bracketed with earners in the £200,000 profit range is highly unjust and it has left me and a lot of individuals with potentially devastating long-term financial repercussions.

I am self-employed, locum optometrist working in the South Wales area since late 2016. I do not receive any other income other than that of the work I perform. I have filed my self-assessment return on-time and paid all tax, national insurance and student loan repayments on time and in full on every occasion. My earnings from the previous years are skewed due to working, on occasions, up to 30 days consecutively in order to fund certain life events. For the current tax year, my earnings have reduced versus previous. My trading profits do breach the £50,000 threshold, thus, I am not liable to receive aid from the scheme.

As a consequence of the COVID-19 outbreak I have been forced to cease work due to closure of optometry practices and thus cancellation of clinics resulting in a gross loss of income for the foreseeable future. I have been left with overwhelming anxiety regarding the financial future for me and my family. As advised, I have already taken the 'mortgage holiday' option along with other measures to decrease household costs. However, my savings are finite and certainly will not last more than several weeks.

Whilst I completely understand and fully support the necessity for the forced measures of 'lockdown', they have a direct negative impact on my work as an optometrist. Exacerbating my concern for the future work demand for my job role, the majority of practices I work in are heavily biased on examining the eyes of the 'at risk' demographic; this includes the elderly, diabetics and patients with underlying systemic health conditions.

I certainly am not alone in this situation. I have corresponded with many of my colleagues, along with other self-employed individuals from other healthcare professions in an equal position such as dentists and vets. Again, the majority of these individuals fall just outside the threshold to receive help but their income has completely ceased as a result of the outbreak. They all share the same crippling anxieties as me in this unsettled time. They, again, fail to grasp how an individual just crossing the threshold is bracketed with individuals with profits of £200,000. I am aware that many governing bodies of such professions have written to the Chancellor as a collective with the aim of closing the gaps that exists in the scheme in order to help their members. These include the Association of Optometrists, the British Dental Association, the British Veterinary Association and many others. I believe the collective represents approximately 300,000 individuals.

Additionally, I find it completely nonsensical how a family with two self-employed individuals, both with profits of £49,500 (i.e. household income of £99,000) will have access to the scheme (and receive £15,000 in June), whereas a family where one parent is self-employed and is the sole breadwinner, earning profits of £50,500 (i.e. household income of £50,500) will receive no support.

I also have to draw attention to the concern of how Pay As You Earn (PAYE)/employed individuals, regardless of their salary i.e. greater than £50,000, are able to receive 80% of their salary (up to £2,500) via the CJRS (and I assume this includes PAYE individuals of salaries in the range of £200,000). There appears to be a significant disparity between how self-employed and employed individuals are treated despite paying the same tax.

I feel the effects of the set £50,000 threshold to receive access to the SEISS may have profound secondary effects on the economy based on the significant financial pain people will endure. Compounding this will likely be the rise in mental health concerns which may indirectly cost the NHS and the government in the future.

I propose an amendment to the SEISS whereby the limit of trading profits is removed to allow the self-employed to access the grant whose profits break the £50,000 threshold and to receive 80% of their trading profits up to £2500. This would give deserved parity with the employed and also stop an array of future issues as listed previously.

I am highly appreciative of the difficulties in the logistics and implementation of such amendments and I applaud the Chancellor and the Government in the steps taken thus far via both the SEISS and CJRS. However, I, like many of my colleagues and self-employed people who fall outside the sharp cliff edges of access to the scheme, face a bleak outlook regarding the period of work inactivity with no income stream or aid. To use the Chancellor's quote: "You have not been *forgotten*. We will not leave you *behind*. We are all in this *together*." But I do feel, as do many other self-employed individuals in a similar position, that we have certainly been forgotten, left behind and are alone.

To conclude, I urge the Treasury Committee to put forward that trading profit limit is abolished to give parity to that of PAYE individuals with the aim of avoiding the certain devastating consequences in the future.

Thank you for your consideration.

April 2020