

Written evidence submitted by Raymond Dufton

Re: Remove the 50% earnings barrier so all self-employed workers to receive support grant (SEISS)

Dear Chair,

I am writing to you with regard to the arbitrary 50% rule within the “Self-Employment Income Support Scheme”, which applies to the thousands of newly self-employed businesses that started trading in the 2018 – 2019 tax year. I started my business providing construction designs on 1st Nov 2018. Previously I had been employed full time on PAYE. I earned more from being employed than being self-employed in the 2018/2019 tax year, I am not eligible for any payment from the HMRC (SEISS fund). I have appealed this with HMRC and have been informed today that my trading profits must be at least equal to my none trading profits for the 2018 – 2019 Tax year. Everybody knows that small business start-ups make little profit in the first months of trading, and that, as in my case my clients are invoiced at the month end for payment the following month. The likelihood of a substantial trading profit in the first 6 months is very unlikely. I feel that the HMRC 50% rule has affectedly made it impossible for most self-employed start-ups in the last 2 years to get this grant. I have provided HMRC with both 2018-2019 & 2019-2020 accounts by the march deadline, but apparently these cannot be used as proof of earnings because HMRC regard both honest TAX payers and my accountants as fraudulent. This beggars belief. We all have been deliberately “excluded”. My work tailed off in early March and I do not expect new construction site developments to start until August/ September. At the moment builders have just started back to complete existing developments and do-not require design work. This means that any invoice payments will not be received in my bank account until October at the earliest. I will face severe financial hardship forced on us by an unfair Government policy. All the local government Grants & Bank loans available are only available to businesses with premises. My wife works part time and at present is furloughed, I am not eligible for UC. I ask that HMRC take another look at this unfair arbitrary rule and that this Committee take a note of the many thousands of newly Self-employed who with the help of local MP’s are lobbying the Treasury to review our situation. Many lobby groups are campaigning for a change in this failed policy. Small businesses are the life blood of this country and hold significant voting power. If this Government truly are the voice of small business, I would strongly suggest they act rectify the injustices in this policy.

June 2020