



Self-Employment Income Support Scheme – receiving grants you were not entitled to

This factsheet contains information about assessments and penalties relating to amounts of Self-Employment Income Support Scheme grants which you were not entitled to receive.

This includes both of the following:

- a grant which you were not eligible to claim
- an amount of grant you received which was more than the amount HMRC said you were entitled to when you made your claim

We are prioritising work to support our customers, while tackling serious fraud and criminal attacks. We will use our power to assess overpayments and issue penalties to support these priorities and we will not seek out innocent errors and small mistakes for compliance action.

Notification of overpaid amount of grant

If you have been paid a grant which you were not entitled to and have not repaid it, you should notify HMRC within the notification period. The notification period ends on the latest of:

- 20 October 2020
- 90 days after you receive the grant

To find out how you can notify HMRC, see [Tell HMRC and pay the Self-Employment Income Support Scheme grant back](#).

If you need help

If you have any health or personal circumstances that may make it difficult for you to deal with this matter, please tell the officer that's contacted you. We'll help you in whatever way we can. For more details, go to www.gov.uk/dealing-hmrc-additional-needs

Recovery of overpaid amount of grant*

We may recover the full amount of the overpaid grant by making a tax assessment for the amount that you were not entitled to and have not repaid. If we make an assessment we will write to you to tell you about it.

The payment you need to make will be due 30 days after the assessment. We will charge interest on late payments. We may also charge you late payment penalties if the amount remains unpaid 31 days after the due date.

If you are worried about making the payment you can call our dedicated Payment Support Service on 0300 200 3835 Monday to Friday, 8am to 4pm. You should still notify us that you have been overpaid.

If you have repaid the grant or we have made an assessment by the date you submit your tax return, you do not need to include it in your 2020 to 2021 Self Assessment tax return.

If you have not repaid the grant and we have not made an assessment by the date you submit your 2020 to 2021 Self Assessment tax return, you must separately include details of the grant that you were not entitled to in your return and you will repay the grant then. We will provide further guidance in the tax return notes and help sheets.

Penalty if you do not notify us about an amount of grant you were not entitled to**

If you do not notify us within the notification period about an amount of grant you claimed and were not entitled to, we may charge you a penalty.

If you knew you were ineligible for the grant when you received it, any penalty will be based on the amount you were not entitled to receive and did not repay by the last day of the notification period.

If you did not know you were ineligible for the grant when you received it, we will only charge you a penalty if you have not repaid the grant by 31 January 2022.

When deciding the amount of any penalty, we will take account of whether you knew that you were not eligible for the grant when you received it. In addition we will consider other factors that are typically taken into account when calculating a failure to notify penalty, which are explained in factsheet [CC/FS11](#).

Where you fail to notify an amount of grant which you knew you were not entitled to when you received it, we will treat your failure as if it were deliberate and concealed.

Appeals

If we make an assessment to recover a grant for which you were ineligible or were overpaid, or if we charge you a penalty, we'll write and explain how we arrived at the decision and the amount of the tax or penalty due.

If you do not agree with the decision or the amount due, you may appeal within 30 days from the date the notification was issued to you.

For detailed guidance on appeal rights see factsheet [HMRC1](#).

Provisions specific to partners and partnerships

Partners receiving a grant that they were not entitled to and retaining the grant

If an individual partner receives a grant they were not entitled to and keeps the entire amount:

- we will assess only that partner on the amount of the grant that they are not entitled to
- if the amount is not repaid and we have not issued an assessment, that partner must report the overpaid amount separately in their 2020 to 2021 Self Assessment tax return
- if they fail to notify us of a grant that they were not entitled to within the notification period, that partner alone will be charged a penalty

Partners receiving a grant that they were not entitled to and paying it over to the partnership

If the amount of grant that the partner was not entitled to is not kept by the individual partner, but instead paid over to the partnership, we may assess any of the partners to collect the amount due as Income Tax. The partners will be jointly and severally liable for the amount assessed.

If a partner has repaid the grant or we have made an assessment by the date they submit their tax return, they do not need to include it in their 2020 to 2021 Self Assessment tax return.

We may assess any partner for the whole amount of a single penalty chargeable for a failure to notify. However, partners are jointly and severally liable to a failure to notify penalty charged in relation to a partnership.

If any partner knew that they were not eligible for a grant which was paid into the partnership:

- all other partners are taken to have known as well
- the failure to notify penalty will be calculated using the percentage ranges for deliberate and concealed behaviour
- any penalty will be based on the amount any of the partners were not entitled to receive and did not repay by the last day of the notification period
- we may still charge a penalty if any of the partners repay the amount of grant not entitled to after the end of the notification period

If none of the other partners knew that the partner receiving the grant was ineligible:

- and the behaviour was deliberate and concealed, all partners will be jointly and severally liable to a penalty for deliberate and concealed behaviour
- and the behaviour was deliberate but not concealed, all partners will be jointly and severally liable to a penalty for deliberate but not concealed behaviour
- we will not charge a failure to notify penalty if any of the partners repays the amount of grant subject to the 100% tax charge by 31 January 2022

Any partner may appeal against a failure to notify penalty on behalf of the other members of the partnership.

More Information

If you're unhappy with our service

Tell the person or office you've been dealing with. They'll try to put things right. If you're still not happy, they'll tell you how to make a formal complaint.

This factsheet is one of a series. For the full list, go to www.gov.uk and search for 'Compliance checks factsheets'.

*The overpaid amount is collected by an assessment to income tax. The amount of income tax charged is equal to the amount of overpaid grant.

**The legal requirement is to notify chargeability in respect of Income Tax on the amount of grant overpaid.