**GMB G56 PROFESSIONAL DRIVERS’ BRANCH**

**CORONAVIRUS - COVID-19 BRIEFING**

**2nd MARCH 2020**

**A SUMMARY OF PRACTICAL HELP.**

The position of our driver/members has been badly impacted by the onset of the COVID-19 pandemic. Members of G56 – Professional Drivers’ Branch, have put together the advice given below. This information is our understanding from the various communications supplied by Government, the financial industry and others.

1. The latest advice and guidance from government on employment and financial support can be found on its coronavirus pages at <https://www.gov.uk/coronavirus>. Additional details can be found at

<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>.

These include: -

* [Statutory sick pay (SSP)](https://www.gov.uk/statutory-sick-pay)
* [Universal Credit](https://www.gov.uk/universal-credit)
* [Employment and Support Allowance (ESA)](https://www.gov.uk/employment-support-allowance)
* [Financial help if you’re self-employed](https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme)
* [What to do if you cannot pay your tax bill on time](https://www.gov.uk/difficulties-paying-hmrc)

**Coronavirus Job Retention Scheme**

1. If you are also a PAYE employee as well as a professional driver then under the new Coronavirus Job Retention scheme, government grants will cover 80% of the salary of PAYE employees who would otherwise have been laid off during this period.
2. The scheme, open to any employer in the country, will cover the cost of wages backdated to 1 March 2020 and will be open before the end of April. It will continue for at least three months and can include workers who were in employment on 28 February.
3. To claim under the scheme your employer will need to:
4. Designate you and other employees as ‘furloughed workers’, and notify you of this change. Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation; and
5. Submit information to HMRC about the employees that have been furloughed, including you, and the earnings through a new online portal. HMRC will set out further details on the information required.  HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month.

**VAT payments**

1. If you earn sufficient that you pay VAT then the next quarter of VAT payments will be deferred, meaning you will not need to make VAT payments until the end of June 2020. You will then have until the end of the 2020 to 2021 tax year to settle any liabilities that have accumulated during the deferral period.
2. The deferral applies automatically and businesses do not need to apply for it. VAT refunds and reclaims will be paid by the government as normal.

**SOLE TRADERS AND SELF-EMPLOYED**

1. Income Tax Self-Assessment payments due on the 31 July 2020 will be deferred until the 31 January 2021. This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

**Universal credit**

1. Self-employed people can now access full Universal Credit at a rate equivalent to statutory sick pay.

**HMRC Time to Pay**

1. HMRC’s Time to Pay scheme can enable individuals in temporary financial distress as a result of Covid-19 to delay payment of outstanding tax liabilities. HMRC’s dedicated Covid-19 helpline provides practical help and advice on 0800 0159 559.

**Business Rates holidays and cash grants**

No rates payable for the 2020 to 2021 tax year for any business in the retail, hospitality or leisure sectors. Therefore, this will not affect most professional drivers. However, if you need information on this part of the scheme go to <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>.

**Mortgage and rent holiday**

1. Mortgage borrowers can apply for a three-month payment holiday from their lender. Both residential and buy-to-let mortgages are eligible for the holiday. It is important to remember that if you use this service you will still owe the amounts that have not been paid as a result of the payment holiday. Interest will continue to be charged on the amount owed.
2. Tenants can apply for a three-month payment holiday from their landlord. No one can be evicted from their home or have their home repossessed over the next three months.

**SELF EMPLOYED INCOME SUPPORT SCHEME SUMMARY**

**Coronavirus Payment Scheme**

1. Government will pay 80% of Average Monthly Profit of the last 3 years up to £2,500 per month. For those drivers with less that 3 years HMRC will look at 2 or 1 years of tax returns but not less that this. You must have filed a 2018/19 tax return.
2. If you have not yet filed your tax return you must do so within the next 4 weeks.
3. Please note the 80% grant is taxable.
4. If newly self employed you may not qualify. Unfortunately and will have  to look to universal credit.
5. Payments will be made no later than beginning of June. You cannot apply for this scheme yet. Instead, HMRC will contact you if you are eligible for the scheme and invite you to apply online. You can apply for Universal Credit whilst awaiting this grant
6. Business Interruption Loans can also be applied for by the self-employed.

**HIRE PURCHASE AND LEASING**

1. A number of finance companies, including some banks have stated that they are willing to work with customers who have hire purchase, leasing or other agreements with them. However, having looked at websites of several car companies it is unclear what this means. Therefore, the advice is to get in touch with your lender ASAP.

**PAYING REDUCED MEMBERSHIP FEES WHEN UNEMPLOYED**

1. GMB members who: -
2. Are temporarily out of work, through being unemployed, or
3. Whose ordinary wage is significantly reduced or stopped
as a result;

Have the right to pay a reduced contribution to continue to be entitled to those benefits, which they would normally be entitled to when paying full contributions.

1. This benefit applies to drivers who have been full financial members for 52 weeks.
2. A member who wishes to use this benefit must apply within six weeks from the
date they stopped working. The reduced rate will apply for the time the member is out of work. It will allow the same benefits to be received by the member as if full contributions were being paid.
3. 7Members who are unemployed are responsible for applying to their branch to pay the reduced rate.
4. The reduced rate is limited to a maximum of 26 weeks in a row. If this current situation goes on beyond 26 weeks they should apply to the G56 Branch Secretary for an extension who will pass on this request to the GMB.
* Please note this is our understanding of the announcement at this moment.
* If you wish to have the above translated into another language please go to Google Translate at <https://translate.google.co.uk/>.