

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury

By email

3 June 2020

Dear Chancellor,

#ForgottenFreelances

The NUJ welcomes the announcement that the Self Employed Income Support Scheme (SEISS) has been extended, with a further grant covering three months, as the uncertainty over this has been a source of significant anxiety for our 8,000 freelance members.

We are also pleased that many of our members have benefited from the SEISS, and that the payments have been processed quickly. The scheme has provided a lifeline given that work dried up virtually overnight because of the Covid-19 crisis, leaving many freelance journalists facing severe hardship and no prospects of work on the horizon.

However, it remains the case that a significant number of freelance journalists have not been able to access any government support at all. The NUJ's letter to you of 21st April outlined these gaps in provision that have left our members falling through the cracks of the SEISS and in dire financial straits.

A key group that requires urgent attention is PAYE freelances and those who have PAYE income. Over the past 30 years, freelances doing shifts for newspapers, broadcasters, magazines and publishers have been forced by companies, often under the direction of HMRC, to be taxed at source via the PAYE system. These individuals remain self-employed/freelance for the purposes of employment law with no protection or employment rights such as sick pay or maternity leave, yet are forced to pay tax and National Insurance Contributions at an employee rate. This PAYE income is now considered by HMRC to be 'employee' income rendering those individuals ineligible for the SEISS scheme.

While in theory this makes such members eligible for the Coronavirus Job Retention Scheme (CJRS) if working for the client company at the cut-off date, the reality is that many employers have refused to do so. Some work for the public sector – such as the BBC – which precludes them from accessing the CJRS. Those who were not working for the client company at the cut-off date, are now not eligible for support either under the CJRS or the SEISS – despite having paid their taxes and NICs in exactly the same way as employed colleagues covered by the furlough scheme.

The NUJ has long campaigned for reform of the system, so that freelances are taxed appropriately as self-employed individuals and are able to have access to holiday and sickness pay and basic protection. The current crisis makes intervention to resolve this issue more vital than ever.

Equally, those who work via limited companies/personal service companies – often forced to by companies – and have paid tax and National Insurance via PAYE or have been found to come within IR35 and are taxed at source, are also ineligible for support. These individuals remain self-employed/freelance for the purposes of employment law with no protection or employment rights yet are forced to pay tax and National Insurance Contributions at an employee rate. This PAYE income now leaves them ineligible for the SEISS scheme. Many witnesses told the House of Lords Economic Affairs Finance Bill Sub-Committee's report, *Off-payroll working: treating people fairly*, that the rules have made them "zero-rights employees" with none of the rights of being an employee, or the tax advantages of being self-employed.

We are calling for action to resolve this inequality, which is causing enormous distress and hardship to many of our freelance members. HMRC has the necessary information required to calculate the amount of tax and NICs paid by PAYE freelances; or alternatively a new support scheme could be established using the PAYE data available to calculate average earnings for individuals who declare as 'PAYE freelances' and compensate them at the 80 per cent rate directly, without going through an employer's payroll system (this could be processed like a tax rebate). PAYE income and dividends could also be included in the SEISS scheme.

There is absolutely no logic why a government would continue to support sections of the working population but not others. A third of our members are freelance, they want to know whether they will have a future career. They need the government to provide financial aid until they can get back to work.

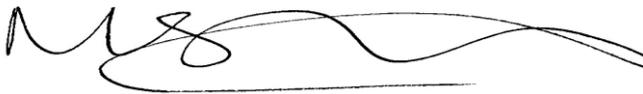
Freelances juggle portfolio careers, with a myriad of employers, employment categories and tax arrangements. That is why many have found themselves not eligible for the SEISS or able to apply for universal credit. Many have been pushed into such working arrangements, not out of choice, which made them fall foul of the various criteria set down in the government's aid package for freelances. Some have had to reinvent themselves as freelances in order to continue making a living after being made redundant from their jobs.

A recent survey of more than 1,200 NUJ members found that a third did not expect their incomes to improve until next year, with 40 per cent saying it could take three to six months, and 16 per cent believe they will not be making their living from journalism after the coronavirus pandemic. That is why urgent action is needed now.

There are more than 5 million self-employed workers in the UK – entrepreneurial business people who form the bedrock of the UK economy. Your assistance now to breach this gap in support will

help our members, and many other freelance workers, get through this crisis at the same time as righting a longstanding anomaly and inequality.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'MS', with a long, sweeping horizontal line extending to the right.

Michelle Stanistreet
General Secretary

Supported by the following Parliamentarians:

Chris Matheson MP (Shadow Media Minister, Lab)
Dr Julian Lewis MP(Con)
Daisy Cooper MP (LD)
Baroness Bonham Carter (LD)
John Nicolson MP (SNP)
Chris Stephens MP (SNP)
Liz Saville Roberts MP (Plaid)
Caroline Lucas MP (Gn)
Claire Hanna MP (SDLP)