

Government support for businesses... but what about the self-employed?

The UK government is taking measures to financially support businesses across the country, so companies can retain their staff during the COVID-19 crisis.

The government has announced its plans to help businesses, with chancellor Rishi Sunak releasing plans of employment and wage subsidies. Installed at the same time as national lockdown impacting millions of UK workers, the need to offer wage support to businesses has become an emergency.

“For the first time in our history, the British government is going to step in and help pay people’s wages. Government grants will cover 80% of the salary of retained workers, up to a total of £2,500 a month, that’s above UK median earnings level.” – Rishi Sunak on Twitter

Similar to measures taken in France or Denmark to protect businesses and staff, the government will support 80% of workers' salaries and up to 75% of salaries at privately-owned companies for up to three months, as long as they do not let staff go.

However, there is controversy about this initiative, as businesses will be supported by the government more than self-employed and freelance workers who are hit hard by the crisis. At present, self-employed workers could access £94.25 a week in universal credit while employees are offered 80% of their salaries up to £2,500 per month.

Mr Sunak said he'll make "further announcements", but warned: "There are genuine practical and principled reasons why it is incredibly complicated to design."

"We need some urgent action for this sizeable group of workers, at least nearly a million zero-hour workers – maybe at least another million more." – John McDonnell, Labour's shadow chancellor

The Creative Industries Federation is calling for a £15B fund to support the self-employed and freelancers to give a targeted cash grant to the self-employed workers that need it most. The institution wrote a letter backed by more than 30 trade specialists:

"We propose that the government creates a Temporary Income Protection Fund of £15B to provide all self-employed workers with a monthly income matching their average existing earnings over the past three years, capped at average UK earnings after the basic rate of income tax and with a minimum monthly income of the Real Living Wage. There is now precedent for this across Europe."

Read also

[Coronavirus Tech Handbook](#)

