

EMD UK, Unit 14  
Graylands Estate  
Langhurstwood Road  
Horsham  
RH12 4QD  
Tel: 01403 266000

Helen Mary Jones, MS  
Welsh Parliament  
Cardiff Bay  
Cardiff CF99 1SN

21 January 2021

**BY EMAIL c/o the Deputy Clerk**

Dear Helen

**Culture, Welsh Language and Communications Committee, 21 January 2021**

Thank you very much for inviting me to give evidence to the committee today. I found the session very informative and I hope my answers were useful to you and the committee.

In response to your request, I am pleased to provide the points which would exclude a freelance worker from accessing the Self Employment Income Support Scheme (SEISS). These are:

1. Newly Self-employed: those who took the plunge to start something new or build something out of passion. These are individuals who set up in business after 6 April 2019 and therefore do not have a tax return from the required 3 year period.
2. PAYE Freelancers: those on short-term PAYE contracts cannot claim Coronavirus Job Retention Scheme (CJRS) despite being on payroll. Those in this category, whilst working as freelancers, are often required to be on payroll. Nor can they claim SEISS if less than 50% of their earnings comes from self-employment.
3. PAYE/Self-employment mix: Less than 50% of income from self-employment: many who start out in self-employment do so gradually and will often continue PAYE work to minimise risk. However, they cannot claim SEISS based on their income from self-employment if this forms less than 50% of their total income.
4. Directors of Limited Companies: Dividends/PAYE: the standard setup for limited company directors is to take a small PAYE salary, typically £719/month, and the rest in dividends. The reason for this is due to fluctuations in income from month to month. A director can only take dividend payments when the company is in profit. While limited company directors can claim CJRS, this typically works out at ~£575/month. However, what is even more problematic is the fact that a director cannot continue to work. So directors face the dilemma of trying to claim for the small amount they can and not working, or trying to save their business. This is not in line with SEISS whereby the self-employed who qualify can continue working
5. Denied Furlough: it is for employers to decide whether to furlough their employees. Many have been denied furlough when they could have benefitted from the scheme. Specific examples include those on maternity leave, those shielding and zero hours contract workers.

On a related point, Sport Wales launched the Sport Freelancer Fund in December in recognition of these shortcomings of the SEISS. I applaud them for doing so. However, while a one-off £1500 grant is welcome, it is no substitute for an income. I firmly believe that that SEISS needs to be reformed and widened in its scope to address the five points above.

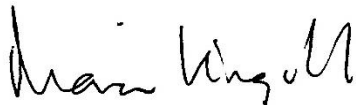
I should also point out that the phase 2 of the Sport Freelancer Fund has different criteria which inadvertently makes it very difficult for some self-employed fitness instructors to be eligible. For example, the fund requires evidence of:

- Contracts / cancelled contracts
- Invoices
- Reference from employer / confirmation of cancelled work from employer
- Letter of Engagement / cancelling engagement

Providing any of these from a community setting where instructors are self-employed is almost impossible. This is because instructors frequently hire community venues on an informal basis without a contract. Notifications of closure arrive via a phone call, not in writing. Numbers of attendees in classes fluctuate and the majority of instructors take cash payments. All of this means it is very difficult to provide the evidence required by the fund.

I do hope you are able to take these issues up with the Welsh Government, UK Government and/or Sport Wales. I'd be happy to support you as required.

Yours sincerely



Marcus Kingwell

CEO.