

Travel ban exemption template for vehicle rental employees

As police around the country ramp-up their enforcement of the Government's travel lockdown and business closures, BVRLA has published a template letter that vehicle rental members can provide to staff that are supporting key workers and critical services.

The template can be used by any members that want to provide supporting evidence for employees, confirming the reason for their travel. It should be provided to staff on company headed paper. It is a draft and should be adapted to suit your circumstances. There is no provision currently within legislation for any letter or pass system and as such this document is for guidance only. You can download the draft template [here](#).

Coronavirus Job Retention Scheme: BVRLA seeks clarity on commissions and bonuses

BVRLA has written to the Treasury to obtain more clarity on the [Coronavirus Job Retention Scheme](#).

The scheme, launched by the Government to support the payroll costs of furloughed workers, provides a grant to cover 80% of an employee's regular wage, up to a maximum of £2,500. Guidance published alongside the scheme says that 'fees, commission and bonuses should not be included.'

Many sales staff within the automotive supply chain rely on regular commissions and bonuses to supplement an otherwise low basic salary. If the exclusion of commission is applied, this will cause undue hardship for many furloughed workers, who will be unable to receive anything close to 80% of their regular wage.

Elsewhere in its guidance, the Government provides a methodology for calculating the regular wage of employees 'whose pay varies'. The BVRLA has asked HM Treasury to ensure that furloughed workers who receive basic pay and regular monthly commissions can be treated in this way, by basing the Job Retention Scheme payment on:

- the same month's earning from the previous year
- average monthly earnings from the 2019-20 tax year

"Vehicle orders and deliveries are frozen and the leasing sector faces massive cash flow pressures," said BVRLA Chief Executive, Gerry Keaney.

"As a result, many leasing broker staff are being furloughed or face that prospect. These workers have been contributing tax and national insurance at their higher-earning level, not at their base salary, so they should benefit equally from any State support."

Government relaxes insolvency rules

Business Secretary Alok Sharma has announced that he will make changes to enable UK companies undergoing a rescue or restructure process to continue trading, giving them breathing space that could help them avoid insolvency.

This will also include enabling companies to continue buying much-needed supplies while attempting a rescue, and temporarily suspending wrongful trading provisions retrospectively from 1 March 2020 for three months for company directors, so they can keep their businesses going without the threat of personal liability.

Petition for SME directors paying themselves through limited companies

Nearly 200,000 people have now signed a petition calling for the Government to provide more self-employment support to the directors of small businesses who take their income from the company as a small salary and the rest as dividends.

Dividend income is not classed as self-employment income for the purposes of the [Coronavirus self-employed income support scheme](#), which provides a taxable grant of up to 80% of an individual's average monthly profit over the last three years, up to a maximum of £2,500 per month. This means that many directors will get much less support than they might have hoped for, because it is only based on their small salary.

Some directors will be able to claim under the Coronavirus Job Retention Scheme, which offers employers support for a salary subsidy reimbursing 80% of furloughed workers wage costs, up to a cap of £2,500 per month.