



UNITE TRANSPORT & FOOD UPDATE

COVID-19 Update No.2 – Furlough

Furlough pay

Unite reps and officers have worked hard to ensure employers go above and beyond Government's guidelines. As a result many Unite members are getting 100% furlough pay, such as workers at high risk of getting Covid-19; older workers; and workers shielding vulnerable household members.

Transport sector:

RTCWL – with increasing reliance on subcontracting, Unite has applied pressure to the customer to win 100% furlough pay. Employers where Unite has negotiated this include Veolia; Hoyer Petrolog; and Carntyne Transport.

Passenger – Unite's work to ensure no loss of pay to bus workers, and fairness in furlough includes: In London furlough agreements went on hold while TFL and the DFT assessed if bus workers could be furloughed due to TFL's part-funding from Government. We negotiated with most London bus firms for 80% furlough for shielding or self-isolating workers.

Across the country our reps have won deals for trainees. In the West Midlands, new trainees are to be redeployed, keeping their trainee pay; while at Go-Ahead London all trainees were put on standby at normal pay until training resumed with new social distancing measures (at 1.6m where 2m cannot be applied).

Rail – Nearly all rail companies have been working. Those who had to use furlough applied 100% of pay other than freight operators who applied 100% of contractual pay; in some cases this affected actual take-home pay as overtime was excluded. Bombardier furloughed manufacturing staff on full pay for 3 weeks.

Docks, Ferries, Waterways – P&O, ABP, Svitzer and Canal & River Trust are all paying 100% furlough pay.

Food, Drink and Agriculture sector:

Most production has carried on or increased. The big exception is brewing due mostly to the hospitality shutdown. Examples of 100% furlough include: Molson Coors where furloughed workers include over-65s; Heineken; and high-risk workers at Pladis.

Furloughed fairly? Covid-19 has affected everyone. But it has worsened inequality, with class and race the biggest factors for fatalities or illness from Covid-19. Unite's Covid-19 checklist for Equalities helps ensure all our members are protected:

<https://unitetheunion.org/media/3106/unite-next-steps-covid19-equalities-checklist2.pdf>



Taxis – Unite was central to talks which secured Self Employed Income Support Scheme (SEISS). Launched on 6 May, it received 440,000 applications on the first day totalling £1.3bn in payouts. As the Chancellor also announced an extension of the furlough scheme the same week, Unite again called for parity for the self-employed and demanded Government extends SEISS to the end of October 2020, and the extension has now been announced.

Pensions – The Pensions Regulator (TPR) said in early April that where an employer is paying above the minimum contribution rate of 3%, it can choose to reduce this to the minimum level for furloughed staff without consultation, and TPR will not take any enforcement action. The same is not possible for non-furloughed staff.¹ Some Unite-organised employers are maintaining all pension contributions for furloughed workers.

As with all our updates, pensions information will be posted on the Unite website. An update from Pinsent Masons from the end of March 2020 can be found here:

<https://unitetheunion.org/media/2984/pensions-update-coronavirus-job-retention-scheme-furloughed-workers.pdf>

The future of furlough – the furlough scheme was put in place for 4 months from 1 March 2020 to the end of July. The government then announced that after this, ‘employers currently using the scheme will have more flexibility to bring their furloughed employees back to work part time whilst still receiving support from the scheme’. Now the government has unveiled this tapering scheme for furlough, which Unite has campaigned for on behalf of our members to allow a gradual and steady revival for businesses. From **July** there will be greater flexibility in how furlough and work can be combined. Employers can bring furloughed staff back to work part-time, and pay them for the hours worked. **August** is when the tapering begins. The government will still pay 80% of wages up to the cap of £2,500. But employers will have to pay National Insurance Contributions and pension contributions. In **September** the government will be paying 70% of wages up to a new cap of £2,190, and employers must pay 10% of wages, in addition to the NICs and pension contributions. In **October** the government contribution will be 60% of wages up to £1,875.

Unite’s blueprint for the future of aviation

Unite recognises that there will be the need for sector-specific support to carry on beyond October in a number of sectors that have been massively affected by Covid-19. In Transport and Food, this will include the aviation sector. Unite is calling for major investment similar to that in France and Germany, to protect jobs and build for the future. Unite’s blueprint for aviation is to secure the long-term future of the sector – ‘not a bailout for billionaires but a new deal for aviation which puts people and planet before profit’. Find Unite’s blueprint and video here: <https://unitetheunion.org/campaigns/coronavirus-protect-uk-aviation/>

“Will I be paid if my workplace closes or I’m laid off or furloughed?” - All Unite’s Covid-19 advice for members is updated regularly and can be found here: <https://unitetheunion.org/coronavirus/>

Comments on this update? Please email bridget.henderson@unitetheunion.org

¹ <https://www.ftadviser.com/pensions/2020/04/09/tpr-warns-employers-on-pension-opt-outs-as-rules-relaxed/>

