

*The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury*

31st July 2020

Dear Rishi,

Firstly, I would like to thank you and your department for all the work you are doing. Tackling this pandemic is a monumental task. I appreciate the huge strain this must place on you and your staff, so I hope that you are all keeping well.

**I am writing to you today to express my displeasure with the delays to the Covid service reward here in Wales and ask that you take swift action to break this logjam.**

On 1st of May, the First Minister of Wales announced a £500 'Covid Thank You Payment' for social care staff. This payment was to show appreciation for all the hard work these people had continued to undertake during the pandemic.

However, almost three months later, this payment still hasn't materialised. It has since transpired that the reason for this is a disagreement over whether the payment will be subject to tax, and what implications it would have for those on Universal Credit.

These disagreements mean for some the £500 reward could end up being as little as £125 after Tax and National Insurance contributions.

To me, it is absolutely shameful for the UK Government to insist that this payment, aimed at rewarding the hard work of all those in our care industry, should be taxed - or that those on Universal Credit should be left worse off for receiving it.

**I have been outraged by the UK Governments' approach**, particularly that of the Treasury who, when a Spokesperson was asked about this delay, said that the Welsh Government should simply increase the payments in order to ensure people receiving the payment got £500 post-tax.

At a time when we are still battling the Coronavirus, we should be rallying together to thank those who work hard to keep us safe and well. For too long our carers and care workers have been underappreciated and drastically underpaid, this needs to change and it is my hope that this pandemic will help us on that journey.

**That is why I ask that you agree to waive the traditional tax implications on this payment and take steps to ensure those carers who also claim Universal Credit are not negatively affected by it.**

We owe it to all those who have worked tirelessly to continue to do their jobs, in particular difficult, and sometimes dangerous, circumstances. They have never once complained or made a fuss, they have simply gotten on with their job - this tenacity and bravery should be rewarded.

**If you cannot commit to waiving the tax on this payment, I would be very interested to hear your reasoning.**

It would seem to me the amount of money this would cost pales in comparison to the wider UK Government spending on Covid-19. Furthermore, failure to do this would go against your stated aim to do 'whatever it takes' to help support people during these uncertain times.

I look forward to your response and hope that, by working together, we can get this moving and get money into people's pockets as soon as possible.

Yours Sincerely,

A handwritten signature in blue ink that reads "Jane Dodds". The signature is written in a cursive style with a large initial 'J'.

Jane Dodds

**Leader of the Welsh Liberal Democrats**