

## Flexible Furlough under the Job Retention Scheme

The Coronavirus Job Retention Scheme has been in place since March 2020 in order to assist employers who could not maintain their workforce because their operations have been affected by coronavirus. The Job Retention Scheme (CJRS) was due to come to an end on the 31<sup>st</sup> October 2020 and to be replaced with the Job Support Scheme (JSS). The latest announcements have now extended the CJRS to the end of January 2021.

This newsletter deals with the key points that you need to be aware of after the 31<sup>st</sup> October 2020.

## Template Letters to Provide to Employees

<https://www.acas.org.uk/furlough-letter-templates>

## The Job Support Scheme (JSS)

### Coronavirus Job Retention Scheme - EXTENDED

The Coronavirus Job Retention Scheme (CJRS), which was due to end on 31 October, will now be extended, with the UK government paying 80% of wages for the hours furloughed employees do not work, up to a cap of £2,500 for periods from 1 November.

Employers will need to pay all employer National Insurance Contributions (NICs) and pension contributions. They can choose to top up their furloughed employees' wages beyond the 80% paid by the UK government for hours not worked, but they are not required to do so.

There will be no gap in support between the previously announced end date of CJRS and this extension.

<https://www.gov.uk/government/publications/extension-to-the-coronavirus-job-retention-scheme/extension-of-the-coronavirus-job-retention-scheme>

### How will it work?

You will have flexibility to ask your employees to work on a part-time basis and furlough them for the rest of their usual working hours, or furlough them full-time. You will have to cover their wages for any hours they work as well as all employer National Insurance and employer pension contributions.

You will be able to claim either shortly before, during or after running your payroll. There will be a short period initially when the online claims service will be closed while HMRC update the system, and you will be able to claim in arrears for that period.

Further details will be provided in the next few days. Please do not call us for more information in the meantime – we will let you know via email as soon as this is available.

### **How to check if your employees are eligible**

Employers can claim for employees who were on their PAYE payroll on 30 October 2020. You or your clients must have made a PAYE Real Time Information (RTI) submission to HMRC between 20 March and 30 October 2020, notifying a payment of earnings for that employee.

If employees were on an employers' payroll on 23 September 2020 (i.e. notified to HMRC on an RTI submission on or before 23 September) and were made redundant or stopped working for them afterwards, they can also qualify for the scheme if they re-employ them.

Neither the employer nor the employee needs to have previously used the CJRS. Further details on eligibility will be provided in the next few days.

### **What you need to do now**

- Check if your employees are eligible for the scheme, based on the information above.
- Agree working hours with your employees, so they know if they are furloughed fully or part-time during November.
- Keep the records that support the amount of CJRS grant you claim, in case HMRC need to check it.

### **Job Support Scheme**

The new Job Support Scheme (JSS) , which was due to start on Sunday 1 November, has been postponed, details of the Job Support Scheme will be available AFTER the 31<sup>st</sup> January 2021.

### **Job Retention Bonus**

Further guidance for the Job Retention Bonus is now available. It includes information about how you can check if your employees are eligible and when you can claim the bonus.

You will be able to claim a one-off payment of £1,000 for every eligible employee you furloughed and claimed for through the Coronavirus Job Retention Scheme (CJRS) and kept continuously employed until at least 31 January 2021. Employers do not have to pay this money to their employees.

To be eligible, employees must earn at least £1,560 between 6 November 2020 and 5 February 2021 and have received earnings in the November, December and January tax months. Employees must also not be serving a contractual or statutory notice period on 31 January 2021.

You will be able to claim the bonus from 15 February until 31 March, once you have submitted PAYE information for the period up to 5 February 2021. We'll let you know how you can make a claim when further guidance is published by the end of January.

Employers can still claim the Job Retention Bonus if they make a claim for the same employees through the Job Support Scheme, as long as they meet the eligibility criteria for both.

Further information can be found on GOV.UK by searching 'Job Retention Bonus Guidance'.

Or click on the following link:

<https://www.gov.uk/guidance/check-if-you-can-claim-the-job-retention-bonus-from-15-february-2021>

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***Updated 5<sup>th</sup> November 2020***