

WAKEFIELD FIRST

CORONAVIRUS JOB RETENTION SCHEME (FURLOUGH SCHEME)

Furlough Scheme Extended and Further Economic Support announced

The **Coronavirus Job Retention Scheme** has been **extended for a month** with **employees receiving 80% of their current salary for hours not worked** and further economic support announced.

Employers small or large, charitable or non-profit, are eligible for the extended Job Retention Scheme, which will continue **for a further month**.

Businesses will have flexibility to bring furloughed employees back to work on a part time basis or furlough them full-time, and will **only be asked to cover National Insurance and employer pension contributions** which, for the average claim, accounts for just **5% of total employment costs**.

The **Job Support Scheme**, which was **scheduled to come in on Sunday 1st November**, has been **postponed until the furlough scheme ends**.

- This extended Job Retention Scheme will operate as the previous scheme did, with businesses being paid upfront to cover wages costs. There will be a short period when we need to change the legal terms of the scheme and update the system and businesses will be paid in arrears for that period.
- The CJRS is being extended until December. The level of the grant will mirror levels available under the CJRS in August, so the government will pay 80% of wages up to a cap of £2,500 and employers will pay employer National Insurance Contributions (NICs) and pension contributions only for the hours the employee does not work.
- As under the current CJRS, flexible furloughing will be allowed in addition to full-time furloughing.

- Further details, including how to claim this extended support through an updated claims service, will be provided shortly.
- The Job Support Scheme will be introduced following the end of the CJRS.

WHO IS ELIGIBLE?

Employers

- All employers with a UK bank account and UK PAYE schemes can claim the grant. Neither the employer nor the employee needs to have previously used the CJRS.
- The government expects that publicly funded organisations will not use the scheme, as has already been the case for CJRS, but partially publicly funded organisations may be eligible where their private revenues have been disrupted. All other eligibility requirements apply to these employers.

Employees

- To be eligible to be claimed for under this extension, employees must be on an employer's PAYE payroll by 23:59 30th October 2020. This means a Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made on or before 30th October 2020.
*As under the current CJRS rules:
- Employees can be on any type of contract. Employers will be able to agree any working arrangements with employees.
- Employers can claim the grant for the hours their employees are not working, calculated by reference to their usual hours worked in a claim period. Such calculations will broadly follow the same methodology as currently under the CJRS.
- When claiming the CJRS grant for furloughed hours, employers will need to report and claim for a minimum period of 7 consecutive calendar days.
- Employers will need to report hours worked and the usual hours an employee would be expected to work in a claim period.
- For worked hours, employees will be paid by their employer subject to their employment contract and employers will be responsible for paying the tax and NICs due on those amounts.

WHAT SUPPORT IS BEING PROVIDED AND EMPLOYER COSTS?

- For hours not worked by the employee, the government will pay 80% of wages up to a cap of £2,500. The grant must be paid to the employee in full.
- Employers will pay employer NICs and pension contributions, and should continue to pay the employee for hours worked in the normal way.
- As with the current CJRS, employers are still able to choose to top up employee wages above the scheme grant at their own expense if they wish.
- The Government will confirm shortly when claims can first be made in respect of employee wage costs during November, but there will be no gap in eligibility for support between the previously announced end-date of CJRS and this extension.

Additional guidance will be set out shortly, in the meantime keep [checking the Government website](#) for key updates and announcements.