

FAQ's

CORONAVIRUS JOB RETENTION SCHEME (CJRS) & STAFFING LEVELS

With restricted measures in place in various areas within NI, we have put together some options and FAQ's that may assist employers who are considering their options in regards to their staff.

If I have to close my business temporarily what are my options in terms of the Coronavirus Job Retention Scheme (CJRS)?

The Coronavirus Job Retention Scheme (CJRS) is still in place up until the 31st October, employees who had been on the CJRS and on Furlough Leave prior to 30th June for at least 3 consecutive weeks are still eligible for this scheme. You can still use this scheme and place your staff on Furlough Leave for their full contractual hours or a combination of working some hours and being placed on flexi furlough for the balance of their hours.

Any staff in your employment who have not furloughed for a minimum of 3 weeks prior to 30th June will not be eligible for the CJRS. (This changes from 1st November for the new scheme and more information will follow on this).

What do I have to pay if I decide to use the CJRS and put my staff on Furlough Leave or Flexi- Furlough Leave

From 1st October – the government will pay 60% of wages up to a cap of £1,875 for the hours the employee is on furlough. Employers will pay ER NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed.

Any working time will be paid by the employer to the employee

Also refer to our guide attached on the Flexi-Furlough Scheme.

*****IMPORTANT REMINDER NOTE*****

Remember it is entirely the employers choice to decide whether to use the CJRS or not, even if your staff are eligible for this scheme you can still decide not to use the scheme.

Some employers have decided not to use the CJRS due to the cost of the 20% contribution

What are my options if I don't have enough work for my staff and they are not eligible for the CJRS or I have decided not to use the CJRS.

There are a number of options as follows:-

1. Agree a reduction in hours or a pay cut

Where there is insufficient work for your staff, in an attempt to retain jobs and cut costs you may consult with your staff regarding the proposal of reducing their hours and/or their pay.

This must be agreed with the staff and you should make it very clear what the terms are around this regarding whether this is a temporary or permanent change, how other terms and conditions will be effected and obviously confirm all these changes in writing and seek consent.

2. Agree staff to take some time off work and use holidays

Where there is going to be some down time, or a short period of time where staff are not required to come to work, you may agree with the staff that they use some of their annual leave to cover some or all of this time. However again this must be agreed or else you could notify them that you want them to take annual holidays by giving them the appropriate notice as set out in law.

3. Consider A Temporary Lay-Off or Short Time Working Period

Lay-Off

Consider a period of 'Lay off' this is a period where employees remain employed, however as there is no work for them they are placed on 'lay off' temporarily until work becomes available, this can be done almost immediately if you have an expressed clause in your term and conditions of employment to lay an employee off work, in this case you do not need to seek consent and the staff will be entitled to a payment called guaranteed payment.

In the absence of a lay off clause in the terms and conditions, you must agree the period of lay off and the terms around payment for this with the employees in advance.

Short-time Working

This is where the employees hours are reduced to less than half of their normal weeks pay, they are paid a guaranteed payment, if eligible. Again short-time working must either be stipulated in the contract of employment or the terms around the short time working and payment must be agreed with the employee in the absence of a specific clause.

In the absence of a clause in the employees contract or seeking agreement around payment terms, employees will be entitled to full pay during a period of Lay off or Short-time Working.

Employers should also be mindful that employees can 'trigger' a request to be made redundant if they are placed on continuous lay off or short time working for at least 4 consecutive weeks or 6 weeks in a 13 week period.

Employers are strongly advised to take professional advice on this before taking any action.

4. Consider a redundancy or restructuring process

It is unfortunately the reality that business owners are having to make some very difficult decisions due to the effects Covid-19 has had on their businesses and redundancies is unfortunately the inevitable for some and many companies are considering their options as they approach the end of the Furlough Scheme on 31st October.

Redundancy

Redundancy is where the job no longer exists or has significantly diminished. The company may want to consider reducing their workforce as they have too many staff and not enough work for all staff.

Redundancy should always be the very last resort and you should have considered alternatives to redundancy before making anyone redundant.

Redundancy is a very complex process and it is strongly advised that you seek advice before embarking on a redundancy process.

Restructuring

Many business owners have taken a long hard look at their businesses during the lock down and since re-opening and may have decided to change how their staffing/roles are structured.



Restructuring may involve combining a number of jobs together, changing jobs and adding in responsibilities, taking out some jobs completely and adding in new jobs are some examples of restructuring.

Again restructuring can be a complex process, if this is something you are considering you should seek professional advice prior to commencing any processes.

This note is for information purposes and does not constitute professional advice, if you require any further assistance please contact Julie on 07858089006 or email: julie@consulthr.co.uk