

## **WHAT DOES THE EXTENTION OF THE FURLOUGH MEAN FOR EMPLOYERS?**

***Following the announcement from Boris Johnston on Saturday night (31<sup>st</sup> October), there has been a last minute change to the ending of the Coronavirus Job Retention Scheme (CJRS) and Furlough Leave.***

***Due to the lock down measures rolling out in England, the decision has been taken to extend the CJRS and the planned introduction of the Job Support Schemes (JSS) due to commence on 1<sup>st</sup> November has now been postponed.***

### **The changes are as follows:-**

- The CJRS will now continue until early December
- During the extension period, employees on the CJRS will receive 80% of their current salary for hours not worked (up to a maximum of £2,500 per month)
- The CJRS government grant available will increase to 80% (the same level that was in place in August)
- Employers can have their staff working some hours and therefore operate a flexi-furlough scheme or you can have staff on full furlough, working no hours at all.
- Within your business you may have a combination of some staff on flexi-furlough and some on full furlough (just be careful around your selection process to avoid claims of discrimination).
- Employers will be required to cover National Insurance and employer pension contributions.
- The JSS 'open' and 'closed' schemes due to commence on 1<sup>st</sup> November have been postponed until the furlough scheme ends.
- Further confirmation will be provided of when the claim can be made for hours not worked in the month of November.

### **Who is Eligible?**

- 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.
- Partially publicly funded organisations may be eligible where private revenue has been disrupted.

## **Employees Eligibility Criteria**

- Those employees eligible must be on the employers PAYE Payroll on 30<sup>th</sup> October ie (Real Time Information submission must have been completed to HMRC for the employees you are claiming for on or before this date).
- Employees, Zero hours staff, Agency Workers are eligible for this scheme.
- Employers can agree any working arrangements with your employees.
- Employers claim for the hours the employee has not worked but would normally have worked (this calculation involves using the same methodology as under the current CJRS).
- CJRS claims must be for a minimum period of 7 consecutive calendar days.
- Employers will be required to report the hours the employee has worked and the usual hours an employee would be expected to work in a particular claim period.
- The employer will pay the employee for their hours that they actually worked and will be responsible for the tax and NIC's due on those amounts.

## **Written Confirmation**

I will assume at this stage that your employees will already have provided consent to be furloughed and this is simply an extension of that period as your previous letter may have said that they would be furloughed either flexi furlough or full furlough up to 30<sup>th</sup> October, in that case you just need to ask them to agree to an extension.

In the event this is a new employee who meets the eligibility criteria and has not consented to a period of Furlough Leave under the CJRS then you will be required to ask them to consent to this using the appropriate consent letter you would have used with your other employees who have been furloughed.

**If you require any assistance with your HR requirements we are more than happy to help, contact Julie Pollock on 07858089006 or e-mail [julie@consulthr.co.uk](mailto:julie@consulthr.co.uk)**

*Disclaimer: This article is intended to provide you with general information on the extension of the CJRS. As the situation is changing regularly, employers should look out for regular updates on <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>*