

1 June 2020

The Coronavirus Job Retention Scheme - Furlough Leave

As some of you will have heard or read, the government has announced reforms to the CJRS. We are still awaiting the finer details but below are the headline points.

We will send out further details once they have been published by the government.

Flexible Furlough and Part Time Working

- From 1st July 'flexible furlough' is being introduced, which means employees can work part-time and be furloughed part-time.
- It will be up to you to decide how that will work. For example, if a full time employee comes in to work 2 days, you will pay them their normal pay for these days and they will be furloughed for the other 3 days which will be paid at 80% (with the cap) and the government will reimburse you at either 80%, 70% or 60% as indicated below.
- You can continue to keep your employees on full time furlough if part-time furlough is not viable for your business.
- We are mindful that continuing with full-time furlough or part-time furlough may not work for all of you and that you may still need to consider redundancy as an option.

Eligibility to use Flexible Furlough

- In order to qualify for flexible furlough, employees must have already been furloughed under the current scheme for a minimum of 3 weeks before the end of June.
- So, anyone you would like to furlough using the part time arrangement will need to be placed on full time furlough 10th June at the latest.

Continuing Government Contributions

- From 1 August, you will no longer be able to claim the employers' national insurance contributions and pension contributions through the CJRS.
- From 1 September, the government will only reimburse 70% of salary (up to a maximum of £2,190) for any days that an employee is furloughed. Employers are required to top-up to 80% (or more if you have agreed this with your employees).
- From 1 October, the government will only reimburse 60% of salary (up to a maximum of £1,875) for any days that an employee is furloughed, and employers

will continue having to top up to 80% (or more if you have agreed this).

- The furlough scheme will close on 31 October 2020.

Self Employed Income Support Scheme

- The SEISS is being extended with applications opening in August for a second and final grant. This grant will be payable at 70% (not 80%) of average earnings capped at £6,750 for 3 months profit.

Disclaimer: Please note that this advice has been written based on fairly limited and constantly evolving guidance from the Government as to how the revised Furlough Scheme will work in practice. Things are moving very quickly and further clarification will inevitably become available in time.