



Lock down and furlough update 05 November 2020

Following the Prime Ministers announcement on Saturday that the country would go into a second lock down from today, 05 November 2020, and our update to you on the update of the extended furlough scheme until 02 December 2020. The government has today confirmed that the Coronavirus Job Retention scheme (CJRS), also known as the furlough scheme will be extended further until 31 March 2021.

The full guidance will be published by the government on 10 November 2020, however, please see below what is known to date.

For claims from 01 November 2020 until January 2021, the scheme will run with 80% of salary up to a maximum of £2,500 per month, being able to be claimed for hours not worked. In January 2021, the government will review the scheme to see whether they believe the country is in a position to ask employers to contribute more to the scheme.

Employers who can claim under the scheme

- Employers do not need to have used the CJRS previously.
- Employers across the UK can claim, whether their businesses are open or closed.
- 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 previous CJRS eligibility requirements also apply to these employers.
- Employers can claim for employees who were employed and on their PAYE payroll on 30 October 2020. The employer must have made a PAYE Real Time Information (RTI) submission to HMRC between the 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.
- Employers will have flexibility to use the scheme for employees for any amount of time or shift pattern, furloughing employees on either a full-time or part-time basis, and will be able to vary the hours worked in agreement with the employee.
- As under the current CJRS rules, employees can be on any type of employment contract.
- Employees do not need to have been furloughed under the CJRS previously.
- For employees that meet the eligibility criteria, and were previously furloughed, employers must use [the same calculations for calculating reference pay and usual hours](#) as CJRS.
- For an employee who meets the criteria of the extended scheme but was not previously eligible for CJRS, the alternative calculations of [reference pay](#) and [usual hours](#) must be used. For all other employees, employers must use the [CJRS calculations for calculating reference pay and usual hours](#).



- Employer contributions during the CJRS extension until January will be the same as in August 2020. This means that for hours not worked by their employee, employers will only be asked to cover National Insurance and employer pension contributions. The government will review the policy in January to decide whether economic circumstances are improving enough to ask employers to contribute more.
- Employers will have to pay the employee's wages for the hours they work as normal, as well as employer National Insurance and employer pension contributions.

Employees whose health has been affected by coronavirus

Employees can be furloughed where they are unable to work because they:

- are shielding in line with public health guidance (or need to stay at home with someone who is shielding)
- have caring responsibilities resulting from coronavirus, including employees that need to look after children

The CJRS is not intended for short-term sick absences. If, however, employers want to furlough employees for business reasons and they are currently off sick, they are eligible to do so, as with other employees.

Furloughed employees who become ill, due to coronavirus or any other cause, must be paid at least Statutory Sick Pay (SSP). As under the CJRS previously, it is up to employers to decide whether to move these employees onto SSP or to keep them on furlough, at their furloughed rate.

Employees being re-employed by their employer

Employees that were employed and on the payroll on 23 September 2020 who were made redundant or stopped working for their employer afterwards can be re-employed and claimed for. The employer must have made a PAYE Real Time Information (RTI) submission to HMRC from 20 March 2020 to 23 September 2020, notifying a payment of earnings for those employees.

Similarly, an employee who was on a fixed term contract, on payroll on 23 September, and that contract expired after 23 September can be re-employed and claimed for, provided that the other eligibility criteria are met.



Whilst on furlough

As under the CJRS previously, during hours which employees are recorded as being on furlough, they cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer.

Employees can:

- take part in training
- volunteer for another employer or organisation
- work for another employer (if contractually allowed)

To be eligible for the grant, employers must have confirmed to their employee (or reached collective agreement with a trade union) in writing that they have been furloughed or flexibly furloughed.

Employers must:

- make sure that the agreement is consistent with employment, equality and discrimination laws
- keep a written record of the agreement for 5 years
- keep records of how many hours their employees work and the number of hours they are furloughed (for example, not working), for 6 years

The employee does not have to provide a written response and employers do not need to place all their employees on furlough.

The terms of any agreement must:

- reflect the hours the employee has actually worked or not worked over the period of the agreement
- allow the employer to satisfy the terms of CJRS so they can make a claim in relation to hours not worked

Where consistent with employment law, any flexible furlough or furlough agreement made retrospectively that has effect from 1 November 2020 will be valid for the purposes of a CJRS claim as long as it is made according to the conditions above. Only retrospective agreements put in place up to and including the 13 November 2020 may be relied on for the purposes of a CJRS claim.



Interaction with other schemes

The launch of the Job Support Scheme has been postponed because of national developments related to the coronavirus pandemic.

The Job Retention Bonus (JRB) will not be paid in February 2021 and a retention incentive will be deployed at the appropriate time. The purpose of the JRB was to encourage employers to keep people in work until the end of January. However, as the CJRS is now being extended to 31 March 2021, the policy intent of the JRB no longer applies.