

Coronavirus Job Retention Scheme Extended – 05.11.20

A policy paper has been produced by the Government (available [here](#)) setting out the rules attached to the extension of the Coronavirus Job Retention Scheme, which will now run to 31st March 2021. The purpose of the extension of the scheme is “to support individuals and businesses who are impacted by disruption caused by coronavirus (COVID-19) this winter”.

The paper is keen to stress that, as far as possible, the same rules of the previous scheme will continue to apply. However, there are a few changes which are important to note, and which will no doubt be further expanded upon when additional guidance is published on 10th November.

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. This contribution will be reviewed in January and may reduce depending on “economic circumstances”.

Claims can be made from 8:00am on 11 November 2020 and can be made in anticipation of an imminent payroll run, simultaneously with payroll or in arrears. Claims should be submitted by day 14 of the subsequent month at the latest. Grant payments are expected to be made within 6 working days of the claim being submitted.

Eligibility

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.

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.

Employees who were on the payroll on 23rd September 2020 who were made redundant or stopped working afterwards can be re-employed and claimed for. An RTI submission must have been made for them at some point between 20th March and 23rd September 2020.

There will be no gap in eligibility for support between the previously announced end-date of CJRS and this extension. A furlough agreement can be made retrospectively up to and including 13th November 2020 covering a period going back to 1st November 2020.

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Shielding

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.

Note that only employees who are Clinically Extremely Vulnerable (CEV) are being advised to shield; these individuals will be written to by Matt Hancock and this letter will provide evidence of this and of entitlement to SSP. Note also that the Government's advice to those who live with a CEV person but who are not vulnerable themselves are still being advised to go to work.

Calculating pay

For employees who were previously eligible to be furloughed, the same calculations for reference pay and usual hours will apply. This will mean, for salaried employees, taking the salary in the pay period prior to 19th March. There is currently no provision to alter this, even where an employee may have increased or reduced their hours permanently under their contract after March 2020. This may appear in the next version of the guidance.

For employees who were not previously eligible to be furloughed (for example, they started employment between 20th March and 30th October 2020), the pay period prior to 30th October 2020 will form the basis of the calculations. For those employees on variable pay, the average payable during the current tax year 2020/21 up to the day before the start of furlough will form the basis of the calculations.

Working patterns

As under the current CJRS, flexible furloughing will be allowed in addition to full-time furloughing. A claim period must last a minimum of 7 consecutive calendar days; as long as this is satisfied, an employee can work for any amount of time and on any work pattern.

As before, whilst on furlough, an employee can take part in training, volunteer for another employer or organisation, or work for another employer (if contractually allowed). Employees cannot do any work that makes money or provides services for their employer.

Importantly, a written agreement needs to be in place, although the employee does not have to provide a written response. The terms of any agreement must reflect the hours the employee has actually worked or not worked over the period of the agreement.

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Relationship with other schemes

The Job Support Scheme has been postponed until further notice.

The Job Retention Bonus will not be paid in February 2021 and *“a retention incentive will be deployed at the appropriate time”*.

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