

## EMPLOYMENT UPDATE

# Coronavirus Job Retention Scheme: Extended

The UK Government has announced a further extension to the Coronavirus Job Retention Scheme ("CJRS") to support businesses as they cope with the continuing impact of the pandemic. We summarise the key details for employers and HR teams in this note

## Summary

- › The CJRS (which was recently extended to December 2020) will now run until 31 March 2021.
- › The Government will pay 80% of wages for hours not worked for eligible employees, up to a cap of £2,500 per month.
- › No mandatory contributions from employers other than employer NICs and pension contributions.
- › The contributions from the Government / employer will be reviewed in January 2021.
- › Starting from December 2020, HMRC will publish details of employers who make claims under the extended CJRS scheme.
- › Businesses will be able to use the scheme flexibly to support their employees for any amount of time and shift pattern, including furloughing them full-time.

## Details of the extended scheme

### Eligibility requirements

- › Employers in the UK can claim, whether their businesses are open or closed.
- › Employers need not have used CJRS before or have furloughed any employee that is to be furloughed under the extended scheme.
- › The employee must have been on the employers' PAYE payroll on 30 October 2020.
- › However, employees who were made redundant or stopped working after 23 September 2020 can be re-employed and claimed for.
- › Furlough agreements can be made retrospective and backdated to 1 November provided that the agreement is put in place by the end of **Friday 13 November 2020**.

### Employers' contributions

- › Employers will need to cover employer NICs and pension contributions.
- › There is no obligation to top-up employees' pay.
- › However, the scheme will be reviewed in January 2021 to decide whether the economic climate has improved sufficiently for employers to make a greater contribution to employees' wages.

### Other considerations

- › Employees continue to accrue holiday whilst on furlough. Subject to notice requirements, employers can require employees to take holiday during furlough. Statutory holiday should be paid at full pay.
- › Employees can be made redundant whilst on furlough. However, furlough grants cannot be used to pay redundancy payments.

### Interaction with other Coronavirus Job initiatives

- › **Job Support Scheme:** This scheme (designed to support only on-going viable jobs) has been postponed given the extension of the (more generous/flexible) Job Retention Scheme.
- › **Job Retention Bonus:** This will not be paid in February 2021 (employers were due to receive £1,000 for every previously furloughed employee retained in employment), with the Government intending to offer another retention incentive in due course.

**Key change** *HMRC will publish details of employers who make claims under the extended CJRS scheme, starting from December 2020*

**If you would like any further advice or assistance on these developments, please contact our Employment Lawyer, Jamie Feldman ([jamie.feldman@northridgelaw.com](mailto:jamie.feldman@northridgelaw.com))**