

Coronavirus Job Retention Scheme

FAQ's for Parishes – update on 2 June 2020

Please find below some further FAQ's following the government's latest guidance on the Job Retention Scheme issued on 29 May and 1 June 2020. Some of the details are being finalised and further guidance is expected on 12 June 2020.

When will the government Coronavirus Job Retention Scheme (CJRS) come to an end?

The Government Coronavirus Job Retention Scheme (CJRS/ furlough Scheme) will continue until the **end of October 2020**, as confirmed on 29 May 2020.

The CJRS will close to new entrants on 30 June 2020. From this point onwards, employers will only be able to furlough employees if they have been furloughed for a full three-week period prior to 30 June 2020. This means that employers who want to place further employees on furlough must do so by 10 June so that the 3-week period can be achieved.

I have heard that employees can come back to work from furlough leave on a part-time basis?

Yes, from 1 July flexible furlough can be used. This means, for example, that an employee who normally work 5 days per week, can be brought back to work for 2 days per week, at the request of the employer.

Under these circumstances, an employee will receive their normal pay for the 2 days worked and then the 80% (or 90% or 100%, whichever is applicable) for the 3 days not worked, i.e. these days will continue to be covered by the CJRS.

Employers should give employees reasonable notice of the requirement to return to work, e.g. at least one weeks' notice.

Will employees continue to receive the 80% (or 90% of 100% whichever is applicable), of their normal salary through to October 2020?

Employees who are on furlough and who are not required to come back to work on part-time basis, will continue to receive a minimum of 80% (or 90% or 100%, whichever is applicable) of their normal salary until the end of October. However, there will be changes to what employers are required to pay.

What is the impact of the latest government guidance on employers?

There will be no change to the level of financial assistance provided by the CJRS during June and July 2020, i.e. the government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance (NI) and pension contributions for the hours the employee does not work.

From 1 August 2020, the government will pay 80% of wages up to a cap of £2,500 and employers will begin to contribute to furloughed employees' wage costs on a phased basis. During August, employers will be required to pay all of the employee's National Insurance (NI) and pension contributions

From 1 September 2020, the government will pay 70% of an employee's normal wages up to a cap of £2,187.50 per month for the hours an employee is on furlough and does not work. Employers will pay NI and pension contributions and 10% of wages to make up the 80% total up to a cap of £2,500.

From 1 October 2020, the government will pay 60% of an employee's normal wages up to a cap of £1,875 per month for the hours an employee is on furlough and does not work. Employers will pay NI and pension contributions and 20% of normal wages to make up 80% total up to a cap of £2,500.

Note that during September and October, the employer will pay all of the NI and pension contributions regardless of how many hours are worked.

What needs to be confirmed in writing to employees on furlough?

The second Treasury direction clarifies that agreement to cease all work can be done by either obtaining the employee's consent in writing or by the employer confirming the agreement in writing. This measure is intended to cover any employers who did not obtain written agreement from employees before placing them on furlough.

This second direction requires that written agreement or confirmation:

- Specifies the main terms and conditions on which the employee will cease work;
- Is incorporated (expressly or implied) into the employee's contract;
- Is made in writing or confirmed in writing by the employer (including by electronic means, such as email)
- Is retained by the employer until at least 30 June 2025.

Can we ask employees on furlough to take annual leave?

Employees on furlough leave continue to accrue their normal annual leave entitlement.

Employers can ask furloughed employees to take holiday during furlough, provided that the appropriate notice is given (i.e. twice as many days' notice as the period of leave the worker is required to take.) For example, if the employer requires the worker to take two week's annual leave at a certain time, the employer must give the employee at least four weeks' advance notice.

Special provisions govern the current situation which mean that employees can carry-over their statutory holiday into the next two holiday years if the holiday has not been taken during the furlough period.

The government has confirmed that employers must **top up furlough pay to 100% of normal pay for any employees who take annual leave during furlough**. In summary, employers must pay the holiday pay in full and claim for the 80% (or 70% or 60%) grant towards this.

One of my Staff has caring responsibilities, I've heard that they can now be furloughed, is this correct?

Yes, from a few weeks ago, the Government has clarified that someone can be furloughed if they are unable to work because they have caring responsibilities related to the covid-19 pandemic. If you are going to do this, bear in mind that they will need to be placed on furlough leave by 10 June 2020 with the correct documentation. The relief will be temporary however as the scheme will be reduced over the coming months and come to an end in October as described above.