

The Coronavirus Job Retention Scheme (CJRS): Key Dates and FAQs

June 3, 2020

This advisory provides a summary of the Coronavirus Job Retention Scheme's (CJRS) guidance on flexible furloughing, including the last date that employees can be furloughed for the first time, how long employees can be placed on furlough, reimbursement requirements of furloughed employees' wages, the amount that can be claimed for an employee on flexible furlough, and what employers need to do in order to end furlough.

Further guidance will be published on 12 June.

June

- 10 June: Employees being furloughed for the first time must be placed on furlough by this date for a minimum period of three weeks. ***CRITICAL DATE***
- 30 June: The furlough scheme closes to new applicants.

July

- 1 July: "Flexible Furlough" begins. Furloughed employees can start to work part-time and employers will be reimbursed under the CJRS for the hours not worked.
- 31 July: Final date for employers to make claims for the period up to 30 June.

1 August

- The government will continue to reimburse 80 percent of furloughed employees' wages up to £2,500 per month for the hours the employee does not work.
- Employers must pay employer NICs and pension contributions for furloughed employees.
- Employers must pay employees for hours worked, plus NICs and pension payments in the usual way.

1 September

- The government will reimburse 70 percent of wages up to £2,187.50 per month for the hours that the employee does not work.
- Employers must pay 10 percent towards the salary to ensure employees still receive 80 percent of their salary up to a cap of £2,500 per month, plus employers' NICs and pension contributions.

1 October

- The government will reimburse 60 percent of wages, subject to a cap of £1,875 per month for the hours the employee does not work.
 - Employers must pay 20 percent towards the salary to ensure employees still receive 80 percent of their salary up to a cap of £2,500, plus employers' NICs and pension contributions.
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What happens to staff who are on a furlough rota?

We have received confirmation from HMRC on this, as the guidance is not fully clear, and our view is that the CJRS will include all employees who have previously been furloughed with that employer, even if they are working on 30 June (for example, they are on a staff furlough rotation).

Can employees who started a new job after 19 March be furloughed now?

No. The CJRS says that there must have been an RTI (PAYE/payroll) submission notifying payment in respect of that employee to HMRC on or before 19 March.

What about fixed term contracts?

If employees on fixed terms contracts have already been furloughed, employers can extend their contracts and re-furlough them.

What amount can be claimed for an employee on flexible furlough?

Employers must report hours worked and the usual hours an employee would be expected to work in a claim period. For example, an employee normally works 40 hours a week and will return to work for 20 hours a week.

- If the employee normally earns £3,000 a month, he/she would have been receiving full furlough pay of £2,400 a month.
- On returning to work 20 hours a week, the employee would receive £1,500 a month gross from his/her employer, plus £1,200 for the 20 weekly hours of furlough (half the monthly furlough pay).
- This means the employee would get a total of £2,700 a month gross for working 20 hours compared to £300 less if they were on furlough full time.

If employers have furloughed staff but do not want to pay the additional costs from August onwards, can they ask employees to agree to forego the extra amount in return for receiving the furlough pay?

No. If employers have furloughed staff, they will have to pay the additional costs from August onwards. Under the CRJS, employees must receive the 80 percent in full without any deductions, which is a statutory requirement. If employers are not able to pay these amounts, they may have to consider redundancy.

What do employers need to do to end furlough?

Employers can bring employees off furlough straight away on written notice (or whatever length of notice is set out in their original furlough letter). In practice it would be advisable to give them “reasonable notice” to return to work if a notice period is not specified in the furlough letter. Reasonable notice might only need to be a few days, for example to allow employees to organise travel and childcare. Also employers will need to ensure that the place of work is “COVID secure” (see our previous advice on this [here](#)). Remember to ensure that you select employees to return to work on a fair basis to avoid any allegations of discrimination. Remember also you need to keep furlough records (for five years) in case HMRC needs to audit your business.

Do employees need to agree to work part-time when they return?

As this is a contract variation like any other, employees must agree (preferably in writing) to work part-time hours.

CONTACTS

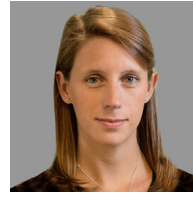
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