

# HR support for Locality members

Extension of the furlough scheme

Updated 5<sup>th</sup> November 2020



# Overview

- Coronavirus Job Retention Scheme (CJRS) was due to close on 31<sup>st</sup> October 2020
- It was due to be replaced by the Job Support Scheme on 1<sup>st</sup> November 2020
- On 31<sup>st</sup> October government announced wide ranging restrictions which will see many employees unable to work
- There will be an extension to the CJRS until March 2021 due to new restrictions to come into force
- Many aspects similar to original extension in July 2020  
- revised guidance due 10/11/20
- Job Retention Bonus “postponed”

# Key elements of CJRS Extension

- Existing CJRS remain the same unless govt guidance says otherwise
- Employees will receive 80% of salary for hours not worked – up to max of £2,500 pm (until end Jan 21 – then reviewed)
- £2,500 is proportional to hours not worked
- Employers asked to pay Employers NIC and statutory pension

# Which employers can claim

- You do not need to have used CJRS previously
- You can claim, whether your business is open or not
- Where fully funded by public sector – you cannot claim – where part funded and private income is disrupted, you can
- HMRC will publish details of employers who claim

# Which employees can you claim for?

- You can claim for people on your payroll on 30/10/20. You must have made a PAYE Real Time Information submission between 20/3/20 and 30/10/20
- You can furlough people for any amount of time or shift pattern, on full or part time basis
- You may vary agreements with your staff
- Staff can be on any type of employment contract

# What can you claim?

- You can claim up to 80% of hours not worked – up to a maximum of £2,500 pm (proportionately)
- This percentage will be reviewed in January 2021
- Previous methods for calculating reference pay and usual hours can be used – but detailed guidance awaited
- As in August – employers must pay NIC and pension contributions
- Claims can be made from 11/11/20

# Furlough and health

- You can furlough employees who
  - are shielding (in line with guidance) – or who live with someone who is shielding
  - Have caring responsibilities as a result of coronavirus
- Not intended for short term sickness, can furlough people for business reasons and if they are “currently” off sick
- Furloughed employees who become ill must get at least SSP – up to employer whether to move to SSP or keep on furlough rate

# Re-employed employees

- Employees that were employed and on the payroll on 23/9/20 who were made redundant or stopped working for their employer afterwards can be re-employed and claimed for. The employer must have made a Real Time Information submission from 20/3/20 to 23/9/20
- Also applies to people on fixed term contracts, provided that the other eligibility criteria are met.



# What can employees do while on furlough?

- For the hours you are claiming furlough, employees may not work for you (making money for you or providing services)
- Employees may volunteer for another employer or organisation
- Employees can undertake training while furloughed as long as this does not provide services or generate revenue (and must be received at least the NMW)
- Employees with multiple jobs can be furloughed but treated separately by each employer

# Employee rights

- Employees retain their rights, including: SSP, annual leave, maternity and other parental rights, rights not to be dismissed unfairly, redundancy and paid at least NMW for hours worked
- In addition Working Tax Credits working hours easement will apply
- No changes for employees on statutory parental leave

# Redundancy

- Many employees may be under notice of redundancy as the previous scheme was due to end
- You can claim for staff in their notice period as normal
- You cannot claim for redundancy payments

# Agreeing to furlough

- Discuss with staff and make changes by agreement
- Usual laws around equalities and discrimination apply
- Confirm agreements in writing
- Keep records of agreements for 5 years
- Keep records of hours worked / not worked for 6 years
- Normal rights (e.g. holiday pay, sickness, etc) accrue during furlough
- *Any furlough agreement made retrospectively that has effect from 1/11/20 will be valid as long as it is made according to the conditions above on or before 13/11/20*

# Further information

Policy paper published on 5/11/20 is [here](#)

This includes:

- Further details of the claiming mechanism
- More information on the various reference periods and normal hours worked calculations

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