

CORONAVIRUS JOB RETENTION SCHEME (CJRS)

Under the new [Coronavirus Job Retention Scheme](#), government grants will cover 80% of the salary of PAYE employees who would otherwise have been laid off during this crisis. This is a temporary scheme in place for 3 months starting from 1 March 2020, but it may be extended if necessary and employers can use this scheme anytime during this period.

Individuals must be on the employer's PAYE payroll on 28 February 2020 but can be engaged on any type of contract including full-time, part-time, employees on agency contracts, and employees on flexible or zero-hours contracts. If you made employees redundant, or they stopped working for you on or after 28 February 2020, you can re-employ them, put them on furlough and claim for their wages through the scheme.

- To claim under the scheme employers will need to designate an affected employee as a "furloughed worker" (meaning that they can do no work or training for your business during the period of furlough) and notify the employee of this change. If the employee's contract of employment does not permit this change in status, the employer will need to agree on the change with the employee. It is recommended that you take legal/HR advice in this situation.
- Submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (which is not yet available).
- HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month, plus the associated Employer National Insurance contributions, and minimum automatic enrolment employer pension contributions on that wage.
- A period of furlough can currently run for a minimum of three weeks to a maximum of three months.
- Employees on sick leave or self-isolating cannot be furloughed until after their isolation period has finished.
- Furloughed employees are allowed to volunteer, but not for the organisation that furloughed them.
- Statutory Maternity Pay (and related paternity/adoption pay) operates as normal.
- For staff with variable pay, use the previous month, the previous year or annual average.
- There is nothing to stop employees being furloughed on rotation.
- Wages of furloughed employees are subject to the usual tax and National Insurance.
- Apprentices can be furloughed in the same way as other employees and they can continue to train whilst furloughed. However, you must pay your apprentices at least the Apprenticeship Minimum Wage, National Living Wage or National Minimum Wage (AMW/NLW/NMW) as appropriate for all the time they spend training. This means you must cover any shortfall between the amount you can claim for their wages through this scheme and their appropriate minimum wage.

FAQs from furloughed employees

How much will I be paid?

If your monthly gross salary is £3125 or less, you will receive 80% of your salary that you received in February 2020 for each whole month during the period you are furloughed. This calculation will be based on your gross salary, before tax. Any part months will be calculated pro rata, based on the number of days furloughed. If your monthly gross salary is above £3125, your gross monthly salary will be capped at £2500.

When will I be paid?

You will receive your salary and payslip on the usual payday. Your employer will claim the amount back from the HMRC.

Will I be taxed on my salary?

Yes, tax and other statutory deductions will be calculated in the same way as normal.

What about my pension contributions?

Employer and employee contributions will be based on the 80% salary for the period in which you are furloughed. Note that you have the option to temporarily stop your employee contribution. If you do so you will lose the matching employer contribution.

How long will I be furloughed for?

The government scheme is currently only in place until the end of May. However, they have indicated that it may be extended. We do not know whether that will happen or when we will be notified if it is happening.

Will I need to do any work for my employer while I am furloughed?

No. Furloughed employees are not allowed to work.

Will I be able to take another job?

You cannot work for another employer during your normal contracted hours.

Will I lose any annual leave entitlement?

No. You will continue to accrue annual leave at the same rate as if you were working your normal hours.

I'm currently on probation. How does this affect me?

Your probation period will be 'frozen' as at the furlough start date. It will then restart from the same point when you are 'unfurloughed'. For example, if you have one month's probation left to go at the point at which you are furloughed, you will still have one month's probation period left to run once you are unfurloughed.

I have a question which has not been answered here.

Please read the [government scheme information](#) carefully. If you still think that your question is not answered then please talk to your line manager in the first instance. If they are unable to answer the question, they will raise it with the most appropriate director to ensure that your question is addressed.