

Job Retention Scheme (Archived)

The Coronavirus Job Retention Scheme is a new temporary scheme open to all UK employers for at least three months starting from 1st March 2020. Employers can use a portal to claim 80% of furloughed employees' usual monthly wages costs up to £2,500 a month, plus the Employer National Insurance contributions and minimum automatic enrolment pension contributions on that wage.

Kelly Cummings our Payroll Manager has spoken to several of our payroll clients and will assist them with making a claim, but here is a summary of what we know so far. Please note we are still waiting for further details.

Who can claim?

- The scheme is open to all UK employers that had created and started a PAYE payroll scheme on 28th February 2020 and have a UK bank account.
- Businesses, Charities, Recruitment Agencies and Public Authorities can all apply
- Where a company is being taken under the management of an administrator, the administrator will be able to access the Job Retention Scheme.

Which employees can you claim for?

- Furloughed employees must have been on your payroll on 28th February 2020
- When on furlough an employee can not undertake work for or on behalf of the organisation
- While on furlough, the employees wage will be subject to usual income tax and other deductions
- If a client is still working on reduced hours, they will not be eligible for this scheme
- Please note employees hired after 28th February cannot be furloughed or claimed for with this scheme
- If your employee is on unpaid leave before 28th February, they cannot be furloughed
- Employees on Statutory Sick Pay (SSP) will get SSP, but after can be furloughed
- Employees who are shielding in line with public health guidance can be placed on furlough

What do employers need to do?

- Employers should discuss with their staff and make any changes to the employment contract by agreement
- Employers should write to their employee confirming that they have been furloughed and keep a record of this communication
- Employers may need to seek legal advice on the process as changes to employment contracts may be needed.

What can you claim?

- Employers will receive a grant from HMRC to cover the lower of 80% of an employee's regular wage or £2,500 per month. An employer can choose to top up an employee's salary beyond this, but this is not compulsory.
- Please note you can only submit one claim at least every 3 weeks, which is the minimum length an employee can be furloughed for.