

The Final Furlough – Upcoming changes, flexible furloughing & more

The government has published details of how the Coronavirus Job Retention Scheme (**CJRS**) (also known as the furlough scheme) will change in the coming months.

The key dates are:

June and July 2020

No change. Employers can continue to claim 80% of wages (capped at £2,500 plus employer NIC and pension contributions). Employers are not required to contribute (but see below for flexible furlough availability from 1 July 2020).

10 June 2020

This is the last day that an employee can be furloughed to qualify for furlough leave from 1 July 2020 onwards (with claims open to be made up to 31 July 2020).

30 June 2020

CJRS closes to new entrants. Employers who have previously used the scheme can continue to do so in respect of employees who have completed a three week period of furlough.

1 July 2020

A new 'flexible furlough' will be introduced allowing employees to be on furlough part-time and work part-time. Employers will be able to designate the proportion of work and furlough.

Key points of flexible furlough are:

- any hours worked must be paid in full by employers;
- working hours agreed must cover at least one week and be confirmed to the employee in writing;
- the furlough grant cap will be proportional to the hours not worked;
- claims will be restricted to employers currently using the scheme and previously furloughed employees;
- employers will be required to submit data on the usual hours an employee would be expected to work in a claim period and actual hours worked; and

- if employers do not have work for them to do or if employees are unable to return to work, they can remain on furlough and the employer can continue to claim the grant for their full hours under the existing rules.

1 August 2020

Employers will no longer be able to claim employer's NICs and pension contributions under the CJRS (and must pay them instead), with the claim remaining at 80% of salary (capped at £2,500 or proportional to hours worked).

1 September 2020

Further tapering of the CJRS continues. Employers can claim 70% of salary (up to a maximum of £2,190 or proportional to hours worked) and will be required, in addition to paying employer's NICs and pension contributions, to top-up the remaining 10% of wages to make up the 80% total (capped at £2,500 or proportional to hours worked). Note: employers may need to top up even more depending on what has been agreed with the employee.

1 October 2020 – The last month of the CJRS

Government support is reduced further. Employers can claim 60% of salary (up to a maximum of £1,875 or proportional to hours worked) and will be required, in addition to paying employer's NICs and pension contributions, to top-up the remaining 20% of wages to make up the 80% total (capped at £2,500 or proportional to hours worked or more).

31 October 2020

CJRS closes.

Action Points for Employers

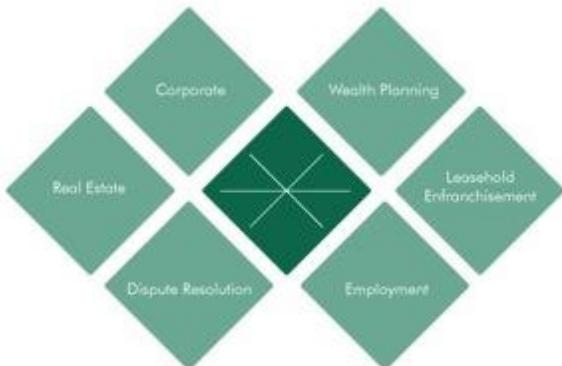
Employers have much to consider by next Wednesday 10 June. For example, should further staff not previously on furlough now be furloughed to allow for the option of flexible furloughing? Should staff already on furlough now be considered for a return of at least some hours of work? Will employers consider making redundancies to benefit from the ability of furlough to run alongside and contribute to notice pay?

Further government guidance on the detail of the above changes is expected next week.

If you have any queries regarding furlough leave or any other employment matter, Rooks Rider Solicitors is open for business as usual and is on hand to assist. Please contact Aaron Heslop in our Employment Team for advice or assistance in preparing a furlough agreement.



Aaron Heslop
Associate
Dispute Prevention & Resolution and Employment
aheslop@rooksrid.co.uk
+44 (0)20 7689 7209



Rooks Rider Solicitors LLP
CentralPoint
45 Beech Street ■ London ■ EC2Y 8AD

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