



FURLOUGH SCHEME EXTENSION AND CHANGES

The Coronavirus Job Retention Scheme will continue until 31st October.

From 1st July, furloughed employees will be able to work part-time whilst still remaining furloughed and employers will be responsible for paying their wages for periods that they have worked. The government will continue to make furlough payments in respect of any part of their normal hours that a furloughed employee has not worked.

The scheme will close to new entrants on 30 June, meaning that from 1st July employers will only be able to claim in respect of employees who have been furloughed for a minimum period of three weeks before 30 June. This means that to be eligible for the flexible furloughing scheme, an employee not previously furloughed needs to be placed on furlough from 10th June at the latest until 30th June.

There will be a gradual tapering of the payments made by government for the periods when employees are not required to work under the furlough scheme;

- June and July: The government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance and pension contributions. Employers are not required to pay anything,
- August: The government will pay 80% of wages up to a cap of £2,500. Employers will pay Employer NICs and pension contributions,
- September: The government will pay 70% of wages up to a cap of £2,187.50. Employers will pay Employer NICs and pension contributions and 10% of wages to make up 80% total up to a cap of £2,500,
- October: The government will pay 60% of wages up to a cap of £1,875. Employers will pay Employer NICs and pension contributions and 20% of wages to make up 80% total up to a cap of £2,500.

To enable the introduction of part time furloughing, and to support those already furloughed back to work:

- From 1 July, employers will be able to agree any part-time working arrangements with previously furloughed employees,
- Employers will be required to submit data on the usual hours that an employee would be expected to work in a claim period, and the actual hours worked,
- When claiming the grant for furloughed hours, employers will need to report and claim for a minimum period of a week, to enable grants to be calculated accurately across working patterns.

**Mike Magee
Head of Employment Team
Fenners Chambers**