



Whittles Guide to the Coronavirus Job Retention Scheme (CJRS)

Updated June 2020

The government continues to update its guidance on the job retention scheme, setting out the pathway to the phasing out of the scheme. Introducing a more flexible approach from 1 July 2020, there will be a more complex mechanism under which flexible furloughing will be allowed to include part-work/part-furlough.

For further details as published on the government's website,
Employers - click [here](#).
Employees - click [here](#).

No new entrants to the scheme

Only employees previously furloughed for three weeks before 30 June can continue to be part of the scheme after 1 July. The only exception to the "no new furloughs" rule is where an employee has returned from maternity or other family leave, e.g. shared parental leave.

Employees need not be on furlough on 30 June itself to be part of the extended scheme - an employee in work at the end of June can be re-furloughed so long as they have been furloughed before. However, employers which have not previously used the furlough scheme will not now be able to do so.

The number of employees an employer can claim for after 1 July cannot exceed the number in any previous claim.

When claiming the CJRS grant for furloughed hours, employers will need to report and claim for a minimum period of a week.

Guidance has also been clarified that although employees must agree to be furloughed, that agreement only needs to be confirmed in writing and employees do not need to provide a written response. However, in relation to agreeing to flexible furloughing, the guidance states that a "written agreement" confirming the new furlough arrangement is needed to confirm what hours and shifts they will be working when flexibly furloughed, to avoid the risk of confusion or potential disputes in the future.

Key dates

The scheme's key dates, reflecting these changes, are summarised as follows:

- The first time you will be able to make claims for days in July will be 1 July, you cannot claim for periods in July before this point.
- 31 July is the last day that you can submit claims for periods ending on or before 30 June.
- In June and July, the government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance (ER NICs) and pension contributions.
- From 1 August 2020, the monthly cap on the furlough grant will remain at 80% of employee wages capped at £2,500 but employers will be required to meet the cost of employer NICs and pension contributions.
- From 1 September 2020, employers will also have to pay 10% towards an employee's wages (resulting in the monthly cap on the furlough grant reducing to £2,187.50).
- From 1 October 2020, an employer's contribution towards an employee's wages will increase to 20% (resulting in the monthly cap on the furlough grant reducing to £1,875).
- The furlough scheme will end on 31 October 2020.

Changes to making as claim

In the period after 1 July 2020, a claim must start and end within the same calendar month. This reflects the fact that the scheme is changing from month to month. It is possible to make more than one claim in each month, but each claim must be for a period of at least seven days.

The only exception to the seven-day claim is if you are making a claim for a few days at the beginning or end of a month (e.g. if you pay weekly and the month end results in a week being split across two months). There, you will need to make two claims (one for each month).

The government has updated its Coronavirus Job Retention Scheme calculator. Click [here](#). You can use this calculator to work out the figures you'll need when you complete a claim through the scheme. It also gives a detailed breakdown of calculations for each pay period for your records.

Flexible furloughing

Any sort of working pattern is permitted under the flexible furlough scheme and there is no restriction on the length of time it must last. Employers will bear the cost in full for any hours worked by furloughed employees and can claim a furlough grant to cover the balance between hours worked and employee's "usual hours".

If an employer wishes to agree a flexible furlough arrangement, however, he/she must enter into a new agreement with the employee. The rules about what an employee is (and is not) permitted to do during any days they are furloughed remain unchanged.

Where flexible furlough is being used, there are additional record keeping requirements and employers are required to retain (for six years) records of the usual hours worked by each employee (including details of the calculation used to ascertain usual hours) and the actual hours worked.

Flexible furlough is not compulsory and full furlough will remain available until 31 October with the required additional financial contributions.

Holiday will continue to accrue as usual, whether an employee is fully or flexibly furloughed.

Furlough period

Until 1 July, the minimum length of time for which an employee can be furloughed is 3 consecutive weeks. This will be the case for all furlough periods which started in June, even if they end after 1 July.

From 1 July, furlough periods can last any amount of time; there is no minimum period.

Repayment of fraudulent or incorrect claims

The guidance has now been amended to state that HMRC will check claims made under the CJRS and payments may be withheld or may need to be paid back if a claim is found to be fraudulent or based on incorrect information.

If you would like to discuss how the scheme may be of relevance to you or your employees, please contact [Rachel Skells](#), [Michael Greene](#) or your usual Whittles contact