

## Extension to the Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme has been **extended until 30 September 2021**.

If your business has closed or is struggling due to the pandemic, you can apply to furlough employees (put them on temporary leave) rather than make them redundant. Once furloughed, the UK Government will provide a **grant to cover 80% of the wages of these employees up to a maximum of £2,500 a month until the end of June 2021**. Any UK employer with a PAYE scheme can furlough their employees.

### Changes in July

From 1 July 2021, **the level of grant will be reduced** and you will be asked to contribute towards the cost of your furloughed employees' wages. To be eligible for the grant you must continue to pay your furloughed employees 80% of their wages, up to a cap of £2,500 per month for the time they spend on furlough.

The level of government contribution each month from July to September

	May	June	July	August	September
<b>Government contribution: wages for hours not worked</b>	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875	60% up to £1,875
<b>Employer contribution: employer National Insurance contributions and pension contributions</b>	Yes	Yes	Yes	Yes	Yes
<b>Employer contribution wages for hours not worked</b>	No	No	10% up to £312.50	20% up to £625	20% up to £625
<b>For hours not worked employee receives</b>	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month

The table above shows the level of **government contribution** available in the coming months, the required **employer contribution** and **the amount that the employee receives** per month where the employee is furloughed 100% of the time. Wage caps are proportional to the hours not worked.

You can continue to choose to top up your employees' wages above the 80% total and £2,500 cap for the hours not worked at your own expense.

### Am I eligible?

Yes, if you are an employer who has:

- created and started a PAYE payroll scheme on or before 30 October 2020
- is enrolled for PAYE online
- has a UK, Isle of Man or Channel Island bank account

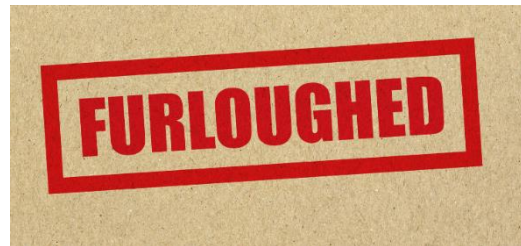
Any individual, business or other entity with employees can apply, including charities, recruitment agencies and public authorities.

### Who can you furlough?

You can only furlough those who were employed and on your payroll by 30 October 2020. This means you must have submitted an RTI to HMRC indicating a payment for this employee between 20 March 2020 and 30 October 2020. This may differ where you have made employees redundant, or they stopped working for you on or after 23 September 2020 and you have subsequently re-employed them.

You do not need to have previously claimed for an employee before the 30 October 2020 to claim.

You can claim for employees on any type of employment contract, including full-time, part-time, agency, flexible or zero-hour contracts. Foreign nationals and employees on any form of work visa are also eligible.



### Important information

To be eligible for the grant, employers must have confirmed to their employee (or reached collective agreement with a trade union) in writing that they have been furloughed.

You can:

fully furlough employees - they cannot undertake any work for you while furloughed full time

flexibly furlough employees - they can work for any amount of time, and any work pattern but they cannot do any work for you during hours that you record them as being on furlough

You will still need to pay employer National Insurance contributions and pension costs.

Find out more about which employees you can put on furlough and claim for – <https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme>

If you need further information regarding this scheme, please email [info@thomsoncooper.com](mailto:info@thomsoncooper.com).

**Thomson Cooper**

**3 Castle Court, Carnegie Campus, Dunfermline  
22 Stafford Street, Edinburgh**

[www.thomsoncooper.com](http://www.thomsoncooper.com)

**Tel 01383 628800  
Tel 0131 226 2233**