



JOB RETENTION SCHEME – IMPORTANT UPDATE

3 December 2020

As of 1 November 2020 the Coronavirus Job Retention Scheme was extended to 31 March 2021. You can claim 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month for claims between 1 November 2020 and 31 January 2021. In January 2021, the government is reviewing the scheme.

Important updates to previous guidance

- Claims can be made for employees who were employed on 30 October 2020 providing they have been on a PAYE RTI submission between 20 March 2020 and 30 October 2020.
- For claim periods relating to November, you can claim for a furloughed employee who is serving notice period. However, for claim periods starting on or after 1 December 2020 employers cannot claim for an employee who is furloughed and serving a contractual or statutory notice period.
- If an employee was made redundant or stopped working for you on or after 23 September 2020 you can re-employ them and place them on furlough if they were in your employment on 23 September 2020 and included on a PAYE RTI submission between 20 March and 30 October 2020.
- HMRC guidance states that employees should only be furloughed if coronavirus is affecting your operations and that employees should not be placed on furlough when:
 - they are going to be on paid leave
 - you usually do less business over the festive period.
- There is no requirement for the employee to have been previously placed on the Coronavirus Job Retention Scheme.

Claim periods

- Claims need to be made by the 14th day of the following calendar month. For example, claims for the month of November need to be made by 14 December 2020 and claims for the month of December by 14 January 2021.
- Claims will need to be approved by HMRC before being paid and payments will be made six working days after you make your claim. For claim periods starting on or after 1 December 2020 HMRC intends to publish the names of employers who have used the scheme and employees will be able to check if their employer has made a claim via their Personal Tax Account.

WHAT YOU SHOULD DO TODAY

You should consider the points above in relation to any furlough arrangements you are planning to put in place.

If you decide to use the extended Coronavirus Job Retention Scheme you must discuss and agree this with the employee and keep a written record of the new arrangement for a minimum of five years.

You may want to speak to your HR advisor or employment law advisor for guidance on how to approach staff about the Job Retention Scheme. You should make sure that any agreements are consistent with employment, equality and discrimination laws.

Stay safe and well.