

Coronavirus Job Retention Scheme

Amendments to the scheme to be implemented from July until October 2020



As we approach a new stage of the calculation and processing of delivery and claims under the second Phase of the Coronavirus Job Retention Scheme (CJRS), let's take a moment to recap some of the key points to phase one.

"Phase one" refers to how the scheme worked from its introduction in March 2020 up until June 2020.

"Phase two" refers to how the scheme will operate from July 2020 to its conclusion in October 2020. The major amendments to the scheme will begin in July, but employers and pay professionals need to be preparing now, so as not to miss any key dates and deadlines.

Employers have until 31 July 2020 to make any claims relating to the period ending 30 June 2020 i.e. Phase one.

Key facts relating to CJRS "phase one"



- Furlough - a minimum period of three weeks
- Requires agreement between employer and employee – for employer to confirm in writing
- Employee must not work for furloughing employer, but can take part in training and contract-permitting, can work for another employer whilst receiving the CJRS grant. They can also, and are encouraged to, carry out volunteer work
- Employees can be furloughed in more than one job, and the cap applies separately to each job
- Grant claims opened on 20 April
- Claims could be backdated to 1 March
- Grant 80% of wages to a monthly cap of £2,500
- Employer NIC and minimum employer pension contributions on furlough pay funded
- Grant calculated on fixed pay or variable pay
- Calculator supports claim calculations

Grant calculation based on calendar days.

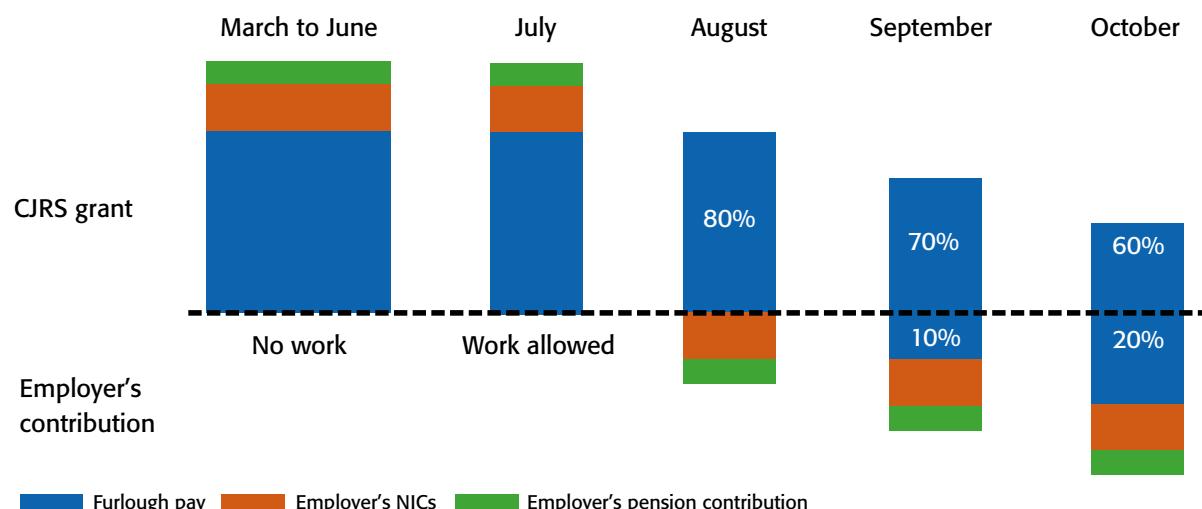
Key facts relating to CJRS "phase two"



- From July 2020, employers will be able to bring employees back to work on a part-time basis, whilst still being able to access the CJRS grant for any hours not worked
- Employers can decide on the shift pattern or working hours they want an employee to work, but must agree this with the employee, and confirm that agreement in writing
- Employers will need to report and claim for a minimum period of a week, but can do so for longer periods if required
- Employers will be required to report the number of hours an employee has worked; alongside the number of hours they would have 'usually'* worked within the claim period
- The minimum payment to employees will continue to be 80% of earnings, up to a maximum cap of £2,500 per month calculated in proportion to hours that have not been worked, when set against an employee's 'usual'*working hours
- Employers will be responsible for paying employees for any hours they have worked, including the associated employer National Insurance (NI) and pension contributions
- In order to qualify for the scheme from 1 July 2020, any employees, not previously placed on furlough, will need to be furloughed by no later than 10 June 2020
- From 1 July, claim periods can no longer overlap calendar months, due to the changes to the scheme*
- Employers must not claim for a higher number of employees than they have claimed for in a previous claim made under the 'phase one' of the CJRS. If a business made separate claims for 50, 30 and 10 staff under the scheme, then the highest amount they can claim for from 1 July 2020 would be 50, not the total of all previous claims

Changes to grant payments

July 2020	<ul style="list-style-type: none"> The guaranteed figure of 80% of employee wages, for any hours the employee has not worked, up to a cap of £2,500 per month, will be paid by government along with the associated employer NI and pension contributions. The employer will be responsible for paying for any hours worked plus related on-costs.
August 2020	<ul style="list-style-type: none"> The guaranteed figure of 80% of employee wages, for any hours the employee has not worked, up to a cap of £2,500 per month, will be paid by government but the employer will be responsible for paying the associated employer NI and pension contributions. The employer must also pay for any hours worked plus related on-costs.
September 2020	<ul style="list-style-type: none"> The guaranteed figure of 80% of employee wages, for any hours the employee has not worked, up to a cap of £2,500 per month will be made up of 70% from the government and 10% from the employer. The employer will also be responsible for paying the associated employer NI and pension contributions. Employers must pay for any hours worked plus related on-costs.
October 2020	<ul style="list-style-type: none"> The guaranteed figure of 80% of employee wages, for any hours the employee has not worked, up to a cap of £2,500 per month will be made up of 60% from the government and 20% from the employer. The employer will also be responsible for paying the associated employer NI and pension contributions. Employers must pay for any hours worked plus related on-costs.



Key dates

10 June	Last date available for first time period of furlough
July	Employees able to return to work - but scheme will remain open to fund 'flexible furlough'
August	Employer will fund all Employer NIC and employer pension
September	Employer will fund all Employer NIC and employer pension plus top up CJRS grant by 10% up to £2,500 cap
October	Employer will fund all Employer NIC and employer pension plus top up CJRS grant by 20% up to £2,500 cap

Further Guidance

* Further clarification and information within guidance is due to be published on 12 June 2020.

The CIPP will be reporting on this via *News Online* and a variety of social platforms, as well as within its dedicated [Coronavirus hub](#).