

Furlough extended, Job Support Scheme postponed

The Coronavirus Job Retention Scheme (**CJRS**) (also known as the 'furlough scheme') had been due to end on Saturday 31 October 2020. The government had previously announced that a new, but less generous, support package (the Job Support Scheme) would be available to employers and employees from 1 November.

However, at the eleventh hour, on 31 October, HM Treasury announced that the CJRS, would be extended in order to provide support to businesses and employees during the new national lockdown period due to begin on Thursday 5 November. It therefore remains available to businesses as of today and will be open until December.

The level of support available under the extended scheme mirrors that available under the CJRS back in August, with the Government paying **80%** of wages up to a cap of **£2,500**. Flexible furloughing is allowed under the extended CJRS, as well as full-time furloughing.

Under the extended CJRS neither the employer nor the employee needs to have previously used it and the scheme is available in respect of employees who were on the employer's PAYE payroll by 23:59 on 30 October 2020. Employers can claim the grant for the hours that their employees are not working, calculated by reference to their usual hours worked in a claim period.

When claiming the CJRS grant for furloughed hours, employers need to report and claim for a minimum period of seven consecutive calendar days. For hours not worked by the employee, the Government will pay 80% of wages up to a cap of £2,500, which must be paid to the employee in full. Employers will pay employer NICs and pension contributions and should continue to pay the employee for hours worked in the normal way. As previously under the CJRS, employers are still able to choose to top up employee wages above the scheme grant at their own expense if they wish.

Employees can also take on other jobs while placed on furlough leave, as long as it doesn't breach the rules of their existing contract of employment.

When will the Job Support Scheme now start?

The government has stated that the extended CJRS will end in December, when England comes out of lockdown. At that time, the Job Support Scheme will start.

Under this less generous scheme, there are different support packages available depending on whether a business has been forced to close due to local restrictions or if they can stay open but have a reduced amount of work available (known as JSS Open and JSS Closed).

Under JSS Closed, employees will be paid 67% of their wages - up to a maximum of £2,083.33 a month. Employers won't have to pay towards an employee's salary.

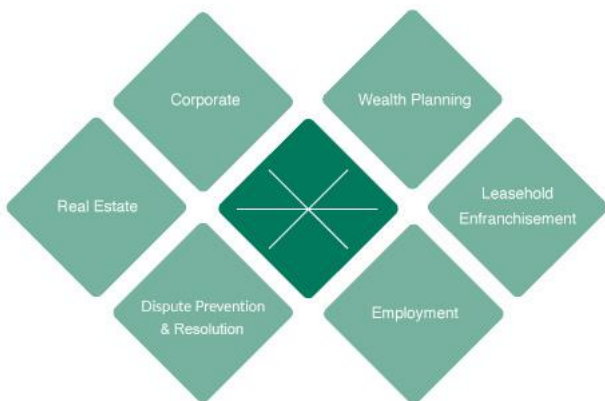
Under JSS Open, employees will have to be paid by their employer to work a minimum 20% of their hours per month. The employer must pay an extra 4% of total wages to cover some of the hours not worked, and the government will pay 49% of the total salary to cover hours not worked. Overall, the maximum contribution the government will make is £1,541.75, meaning an employee would get at least 73% of salary.

With an estimated 2 million people on furlough in October, this last-minute extension will have come as a great relief to many employers and employees. It remains to be seen whether the government will extend the CJRS again and we see the start of the Job Support Scheme.

If you have any queries regarding furlough leave or any other employment matter, Rooks Rider Solicitors is open for business as usual and is on hand to assist. Please contact [Aaron Heslop](#) in our [Employment Team](#) for advice or assistance in preparing a furlough agreement.



Aaron Heslop
Associate
Dispute Prevention & Resolution and Employment
aheslop@rooks rider.co.uk
+44 (0)20 7689 7209



Rooks Rider Solicitors LLP
23 Austin Friars
London ■ EC2N 2QP

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