

Furlough Scheme extended to March 2021

November 2020

In response to the second national lockdown, the chancellor announces an extension to the Furlough Scheme to run until March 2021; available only to those businesses in areas that remain under restriction. The chancellor said he wanted to give businesses security through the winter and protect millions of jobs.

The national lockdown is due to end on 2 December 2020 which coincided with when the furlough scheme was originally extended to following announcements last week. It is now being extended until 21 March 2021. The government will publish full guidance on 10 November 2020.

Which employees are eligible?

Any employee who has been made redundant after 23 September 2020 can be rehired and immediately put on furlough.

Employers can claim even if they, or the relevant employee, has not previously used the furlough scheme.

An employer can claim for employees who were employed and on their PAYE payroll on 30 October 2020. The employer must have made a PAYE Real Time Information ([RTI](#)) submission to HMRC between 20 March 2020 and 30 October 2020, notifying them of a payment of earnings for that employee. Crucially, this means that new starters who have joined this year can now be placed on furlough.

What will an employee receive?

Employees will receive 80% of their current salary for hours not worked, up to a maximum of £2,500, with the government covering the entire contribution. This is more

generous than the scheme provided for in September and October.

Cost to the Employer

Currently, there is no employer contribution to wages for hours not worked. Employers will only be asked to cover National Insurance and employer pension contributions for hours not worked. The government will review the policy in January 2021 to decide whether economic circumstances are improving enough to ask employers to contribute more.

When can an employer claim?

Claims can be made from 8am on Wednesday, 11 November. Claims made for November must be submitted to HMRC by no later than 14 December 2020.

Job Retention Bonus

The Jobs Retention Bonus ([JRB](#)) will not be paid in February 2021 as previously planned. The purpose of the JRB was to encourage employers to keep people in work until the end of January. However, as the CJRS is being extended to the end of March 2021, the policy intent of the JRB falls away.

Speak to [Karen Cole](#) today who can review your employment documents and advise you how best to ensure your compliance with the Furlough scheme rules.

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[Click here to make an online appointment](#)

Note: This is not legal advice; it is intended to provide information of general interest about current legal issues.

