



Job Retention Scheme

Upcoming key changes

The Chancellor announced that the Coronavirus Job Retention Scheme (“the Scheme”) would be entering ‘Phase 2’, aimed at **increasing flexibility** and **adjusting contribution levels**. Key upcoming changes that employers will need to consider as the Scheme enters its next phase are detailed below:

Closure to new entrants

- The Scheme will close to new entrants from **30 June 2020**, after which employers will only be able to claim for employees who have been furloughed for a **three week period** prior to this date. This has imposed a hard deadline of **10 June 2020** for employers to decide whether or not they require employees to be furloughed.
- Employers will have until **31 July 2020** to make any claims in respect of the period to 30 June 2020 but, following this, CJRS claim periods will no longer be able to overlap months.

Flexible Furlough

- From **1 July 2020** employees will be able to return to work on a **part-time** basis as the business may require. This new arrangement must be agreed between the parties and confirmed to the employee **in writing**.
- Employers will have to pay their employees’ **wages in full for any hours that they spend working** but can continue to claim via the Scheme for any hours that their employees do not work, in line with their prior usual working pattern.
- The **minimum claim period will be reduced** from three weeks to just one week.

Contribution Levels

- The level of grant available to employers will be tapered downwards to reflect the fact that people will be returning to work as the Scheme nears its closure on 31 October 2020.
- **From 1 August 2020:** employers will have to pay **employer NICs and pension contributions** but the **level of government grant available will stay at up to 80% of wages to a cap of £2,500 per month.**
- **From 1 September 2020:** the level of grant available to employers will reduce to **70% of an employee's wages up to a cap of £2,187.50 per month.** Employers will pay 10% of wages (to make up to 80%) and employer NICs/pension contributions.
- **From 1 October 2020:** the level of grant available to employers will reduce again to **60% of an employee's wages up to a cap of £1,875 per month.** Employers will pay 20% of wages (to make up to 80%) and employer NICs/pension contributions.

Further Government Guidance

Further government guidance in relation to these upcoming changes is expected on or around **12 June 2020.**

How can Adams & Remers help you?

If you would like any further information or have any queries in relation to any employment issues, please do not hesitate to contact our specialist employment team.



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