



Covid 19 Job Retention Scheme

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The HR Dept & The H&S Dept



Aim of Scheme

- To provide payments to employers for employment costs resulting from COVID 19
- Removes the need for redundancies in connection with the virus



Who is covered?

- Employers that started a PAYE payroll scheme on/before 19 March 2020 enrolled with PAYE online
- Only employees that were on PAYE payroll notified to HMRC on an RTI (real time information) submission on/before 19 March 2020;
- Public sector organisations (& those who receive public funding) are NOT expected to furlough staff
- All contract types including zero hours and agency (but not self employed)
- Staff TUPE'd after 19 March are eligible
- Office holders (incl. Directors)
- Salaried members of LLPs



Who is covered?

- Reason is as a result of COVID-19
- Employee must agree to be furloughed
- An employee must have been instructed to cease all work in relation to their employment for minimum of 3 weeks
- Employees who are shielding may be furloughed
- Employees unable to work due to caring responsibilities as a result of COVID 19 can be furloughed

THE SCHEME IS NOT INTENDED TO COVER SHORT TERM ILLNESS OR SELF-ISOLATING Employees on SSP due to short term sickness or self-isolating continue to receive SSP and can then be furloughed when fit for work.



Conditions of Furlough

- Starts when they finish work, not when decision is made or when they sign to agree furlough.
- Cannot do any work for the employer, including work for a person connected with the employer or indirect work
- If they have a second job, they can continue to work for the other employer until furloughed
- Can only get a new job if allowable under the terms of their contract
- Directors can only carry out statutory duties relating to filing of accounts or provision of other information
- Can do training whilst furloughed (as long as that is not income generating)
- Can do volunteer work



How is it reimbursed?

- Online HMRC Portal introduced 20th April
- Payments from end April
- Grant, so no requirement to pay back
- Does not include fees, commission and bonus (unless these are regular payments you are obliged to pay)
- Can claim once every 3 weeks



What is reimbursed?

- 80% of usual wage costs, subject to usual deductions
- Cap of £2500 + NI and minimum employer pension contributions for the 80%
- Can use anytime during the 4 months of the scheme but only from the date the employee is furloughed
- Minimum furlough period is 3 calendar weeks
- You can top up to 100%, but the costs of the 20% are not reclaimable



FAQs

- Can I furlough some staff but not all?
- Can I refurlough staff after bringing them back to work?
- Can I rotate staff on furlough?
- How does annual leave fit into the furlough scheme?
- What do I do about someone who was not on the payroll on 19 Mar?
- Can I still make redundancies?
- What about people with variable pay?



Variable pay

- If been employed for 12 months prior to the claim, higher of:
 - Same month's earnings for the previous year
 - Average monthly earnings from the 2019/20 tax year
- If employed less than a year, average of monthly earnings since they started work
- If only started in February 2020, use pro rata earnings so far



Covid 19: Other things to think about....

- Staff on furlough
 - Mental Well-Being
 - Training
 - Preparations for return
- Staff working from home
 - Legal
 - H&S
 - Mental Well-Being
 - Long term implications of being able to work from home
- How to hit the ground running when restrictions lifted



Questions?



More information

Coronavirus HR Hub:

<https://www.hrdept.co.uk/coronavirus/>

FAQs, Corona News, Job Retention Scheme, SSP, Working from Home, e-learning, Mental Well-Being

Coronavirus Webinars:

<https://www.hrdept.co.uk/services/coronavirus-webinar/>

24th April: Home-working and Mental Well-Being



Get in touch

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