

Guidance Notes on Coronavirus Job Retention Scheme

Coronavirus Job Retention Scheme and Furlough Leave

In March 2020, the Coronavirus Job Retention Scheme (CJRS) was set up by the Government to support UK employees affected by coronavirus (COVID-19). It is a temporary wage support scheme designed to support jobs and help employers facing difficulties in paying wages to staff or making them redundant. The CJRS was due to finish on 31 March 2021 but has now been postponed until 31 March 2022.

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The government originally intended the scheme to run until the end of 2020, as of 1 November. The JSS has now been extended to 31 March 2022.

with the Job Support Scheme (JSS)

The £1,000 Job Retention Bonus, which was retained after furlough until the end of 2020, has now been withdrawn. Sunak has said that a retention incentive will be introduced "at the appropriate time" instead.

in respect of employees who have been withdrawn. Chancellor Rishi Sunak has said that a retention incentive will be introduced "at the appropriate time" instead.

Please note that this information is for guidance only and so it is important to keep checking back for the most up-to-date information.

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Updated guidance on the extended scheme is available here: <https://www.gov.uk/government/guidance/coronavirus-job-retention-scheme/extension-of-the-coronavirus-job-retention-scheme>

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Part of the qualification process for employers to designate affected employees as 'furloughed workers' is to obtain their agreement. A document is available in the Employment Rights Act 1996.

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A [Coronavirus Job Retention Scheme Agreement](#) document, which can be used to seek employees' agreement to the scheme.

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1. What does it mean if an employee is furloughed?

1.1. When on furlough leave, employees are not required to work and are not paid. Continuity of service is maintained and employees can accrue annual leave whilst on furlough. Employees cannot do any work for their employer whilst they are on furlough leave.

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1.2. Under the extended CJRS, employers must pay 80% of salaries, up to £2,500 per month of all workers who are on furlough leave. Employers are required to pay National Insurance contributions.

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The furlough payments are made through the usual way. Employers will have to claim for the payments (accessed via the Government's HMRC portal). Employees will be paid in the normal way.

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1.3. The CJRS will be reviewed and may be extended. At any time employers may be asked to contribute more to employees' wages.

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1.4. Being 'furloughed' involves must:

- 1.4.1. Designate (i.e. select) the employee on furlough leave;
- 1.4.2. Confirm the furlough leave to the employee and
- 1.4.3. Keep the employee informed of the furlough leave.

status and so the employer

that he or she has been placed

the start of the furlough leave;

1.5. The employment contract will remain bound by the terms

er way and the employee will contract and staff handbook.

1.6. Employers are not required to pay the employee only requires employers to

0%. The government scheme normal pay.

1.7. In order to be eligible for CJRS, employees must have been on the PAYE payroll on or before 30 October. Employers can also furlough employees who have been on the CJRS or furloughed the employee.

ve been on the PAYE payroll on even if they have never used the

2. What is flexible furloughing?

Flexible furlough, whereby employees are not required to work their full hours, remains an option for employers. It requires a written agreement in place for the hours they will be furloughed. An employee on flexible furlough.

nd receive a furlough grant for all furlough, employers will need to ensure that the employee will be working and that there is a written working arrangement with an

A Flexible Furlough Leave Agreement

<https://simply-docs.co.uk/Coronavirus-Furlough-Agreement-Letter>

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3. What can employees do while on furlough?

3.1. Can employees work for another employer while on furlough?

furlough?

Yes, provided that it is allowed by the employee's contract or the employer agrees to waive the relevant clause. The employee must be able to return to work if the original employer recalls them.

contract or the employer agrees to be able to return to work if the

3.2. Can employees undertake any work for their employer while on furlough?

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Yes. A furloughed employee can undertake any work for their employer providing services to, or generating revenue for, the employer.

nd that this does not involve the employer.

3.3. Can employees undertake any work for another employer while on furlough?

ough leave?

Yes, although employees cannot be employed by more than one employer.

usual employer.

4. How long does furlough leave last?

4.1. How long does furlough leave last?

Unlike the earlier iteration of the scheme, there is no minimum number of weeks or months that an employee has to be on furlough leave.

minimum number of weeks or

5. Can employees furlough themselves on casual and zero-hours contracts?

casual and zero-hours

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5.1. Can employees put themselves on furlough?

No, the employer needs to put employees on furlough.

furloughed.

5.2. How will employees know if they are furloughed?

They will be notified.

The employee will be issued with a letter stating that their working status has been changed to 'furloughed'. Re-employment will be for a period of up to 24 weeks.

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5.3. Are casual workers and zero-hours workers eligible for furlough leave?

Yes, zero-hours contracts are eligible for furlough leave?

Yes, the scheme covers zero-hours workers, including any casual or zero-hours worker who is paid in any week.

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6. Can you rotate furlough leave between employees on sick leave?

Can you rotate furlough leave between employees on sick leave?

6.1. Is it possible to rotate furlough leave between employees on sick leave?

Yes, employees on sick leave can be furloughed at different times?

Yes. Employees can be furloughed, brought back to work, and then furloughed again.

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6.2. Can an employee be furloughed while on sick leave?

Yes, an employee can be furloughed while on sick leave?

No, employees on sick leave are not eligible for Statutory Sick Pay (and, if applicable, contractual sick pay). Employees on sick leave should not be furloughed afterwards. However, employees who are shielding in line with public health guidance (because they are very vulnerable to COVID-19) are eligible for Statutory Sick Pay (and, if applicable, contractual sick pay).

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7. Holiday-related questions

7.1. How should employers treat holiday entitlement during the furlough period?

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If employees usually take Bank Holiday days, the employer must top up the employee's pay to their usual level on those days.

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7.2. Can employees carry forward holiday entitlement into the next leave year?

Yes, employees can carry forward holiday entitlement into the next leave year?

The Government has advised that employees who have not taken all of their statutory annual leave entitlement in the current leave year will be able to carry it over into the next two leave years. This is provided it is reasonably practicable for the employer to do so for the employee to which the leave relates.

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7.3. Can employees have holiday entitlement during furlough leave?

Yes, employees can have holiday entitlement during furlough leave?

Yes, employees should have their holiday entitlement accrued during furlough (at the cost of an annual leave furlough payment of 80% of salary or £2,500 per month) and the employer should pay the employee's normal pay.

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7.4. Can employers require employees to take holiday while furloughed?

Yes, employers can require employees to take holiday while furloughed?

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Yes. If an employer requires an employee to work a day during furlough, they should give twice as much notice as they would if they were not furloughed. For example, if an employer takes e.g. two days' notice for an employee to return to work, they should give four days' notice if the employee is on furlough.

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8. How do employers access the CJRS?

- 8.1. The CJRS is accessed through the HMRC portal, managed by HM Revenue & Customs (HMRC). The employer must provide the following information for furloughed employees, specified in the HMRC guidance:
 - 8.1.1. the number of employees on furlough;
 - 8.1.2. details of employees on furlough, including the National Insurance Number of each furloughed employee;
 - 8.1.3. the start and end dates of furlough;
 - 8.1.4. the amount claimed; and
 - 8.1.5. the employer's contact details.
 - 8.1.6. the employer's PAYE reference number;
 - 8.1.7. the employer's Corporation Tax Unique Taxpayer Reference (UTR) number; or, if the employer is a sole trader or partner in a partnership, the Self-Assessment Unique Taxpayer Reference (UTR) number;
 - 8.1.8. the employer's UK bank account details;
 - 8.1.9. the organisation's registered office address;
 - 8.1.10. the organisation's accounting reference date.
- 8.2. For efficient use of the portal, employers should have this information ready before they access the portal.

managed by HM Revenue & Customs (HMRC). The employer must provide the following information for furloughed employees, specified in the HMRC guidance:

including the National Insurance Number of each furloughed employee;

reference number;

number;

Employer Reference, Self-

Assessment Unique Taxpayer Reference (UTR) number as

9. Coronavirus and Redundancy

It is possible for employers to make employees redundant during or after furlough leave. However, given that the purpose of furlough is to maintain the workforce, employers should be cautious about making employees redundant. The costs of notice periods for employees made redundant during or after furlough leave will no longer be covered by the CJRS.

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Documents to help employers make employees redundant can be found in the Simply-Docs Employment folder.

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9.1. Redundancy and Furlough

If a Company finds itself in difficulty during or after the furlough period, it may be necessary to make employees redundant. If there is a genuine redundancy situation, the normal redundancy process will still apply, but there are additional considerations to be taken into account. These include:

When implementing a redundancy programme during or after furlough leave, employers should ensure that the normal redundancy process will still apply, but there are additional considerations to be taken into account. These include:

- The logistical difficulties of consulting employees remotely. Redundancy consultations will still need to be carried out individually or collectively, but this can be done remotely or in writing.
- It is good practice to carry out redundancy meetings in person. If meetings are carried out remotely, employers should ensure that they are carried out remotely. Employers should ensure that employees are accompanied to the meeting.
- If an employer is making employees redundant in a 90-day period, the normal redundancy process will still apply, but there are additional considerations to be taken into account. These include:
 - The logistical difficulties of consulting employees remotely. Redundancy consultations will still need to be carried out individually or collectively, but this can be done remotely or in writing.
 - It is good practice to carry out redundancy meetings in person. If meetings are carried out remotely, employers should ensure that they are carried out remotely. Employers should ensure that employees are accompanied to the meeting.
 - If an employer is making employees redundant in a 90-day period, the normal redundancy process will still apply, but there are additional considerations to be taken into account. These include:
 - The Company must ensure that it consults collectively with representatives, and that it meets the 30-day (or 90-day for large-scale redundancies) deadline for starting consultation.

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process, there will be representatives in the recognised Trade Union representatives will be prolongating the period

- Employers will have selection pools and are consulted about unlikely to be fair if because they were
- In terms of the reasons selecting an employee furlough leave may

undertaking full consultation with . In companies where there is no representatives, an election for staff e consultation can begin, further ll consultation process.

to ensure that redundancy and reasonable and that staff nfirmated. In particular, it is ally selected for redundancy d.

Employers will have to consider if he or she could remain on dancy dismissal unfair.

9.2. Alternatives to Redundancy

As part of any fair redundancy be taken to avoid compulsory

- seeking applicants
- encouraging existing
- freezing or restricting
- redeploying existing
- reduction in the use
- introducing a pay freeze

should consider steps that can may include:

- reduced hours by agreement;
- s of the business;
- al workers; and/or
- ductions.

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