

## Coronavirus Job Retention Scheme – Help Sheet



### As of 26<sup>th</sup> March 2020:

The Chancellor has set out a package of temporary, timely and targeted measures to support public services, people and businesses through this period of disruption caused by COVID-19. One of these schemes is the Coronavirus Job Retention Scheme.

### Am I eligible?

All UK-wide employers with a PAYE scheme that was created and started on or before 28 February 2020 will be eligible including:

- Businesses,
- Charities,
- Recruitment Agencies (agency workers paid through PAYE),
- Public Authorities

The employer must have a UK bank account.

### How do I access it?

You will need to:

1. Designate affected employees as 'furloughed workers,' and notify your employees of this change – changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation.
2. Once the new online portal is live, submit information to HMRC about the employees that have been furloughed and their earnings.

### When can I access it?

HMRC are working urgently to set up a system to pay these grants. The Government expect the first grants to be paid within weeks, and is aiming to get it done before the end of April. If your business needs short term cash flow support, you may be eligible for a Coronavirus Business Interruption Loan.

Full guidance for employers can be found here:

<https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

Full guidance for employees can be found here:

<https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme>

**Note – This only applies for employees who were on the payroll at 28/2/20. Staff starting after this date, will not be eligible.**

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### How do I furlough an employee?

The employer needs to get agreement from the employee to do this, unless it's covered by a clause in the employment contract. They also need to select employees in a fair way to avoid any discrimination.

If an employee disagrees with their employer's decision, they'll need to talk to their employer and try to come to an agreement.

Any furlough agreements should be in writing. It's a good idea to include:

- the date furlough starts
- when it will be reviewed
- how to keep in contact during furlough

A worker will stay employed while they're furloughed, but they must not work.

HMRC (HM Revenue & Customs) will reimburse 80% of furloughed workers' wage costs to employers, up to a maximum of £2,500 per month. Employers will be able to make a claim for the money once HMRC's new system is available.

It's up to employers whether they pay the remaining 20% of wages. They do not have to pay it.

Further guidelines, FAQ's and support can be found at:

<https://www.acas.org.uk/coronavirus/if-the-employer-needs-to-close-the-workplace>

<https://www.businesssupport.gov.uk/faqs/>

### Letter to employees

If you decide that putting employees on furlough is the best option for you and your employees, then you need to prepare a notification letter.

Please review Appendix 1 – Letter Template