

Employment Law Update - 8 February 2021

Furlough Scheme extended to 30th April 2021

The furlough scheme/ CJRS has now been extended to 30th April 2021 following the Government's latest announcement on 26th January. Various points in the guidance have also been clarified.

Pending any further changes, the extended Coronavirus Job Retention Scheme (CJRS) will apply up to 30 April 2021 as follows:

- The Government will pay 80% of wages for furloughed employees up to £2,500 per month (gross) although employers can top this up if they wish. The employer is responsible for all payments of National Insurance and pension contributions.
- Flexible furloughing is allowed under the extended CJRS as well as full time furloughing. The government will pay for hours not worked. Employers are required to pay for hours worked in the normal way.
- Any notification to employees regarding furlough leave must be in writing. Employers are required to report hours worked and the usual hours employees would be expected to work in any claim period.
- The extended CJRS can be claimed for all employees who are on the employer's PAYE payroll on 30 October 2020. The employer must have made a RTI submission to HMRC from 20.3.20 to 30 October with details of earnings for these employees. Employees who were on the payroll on 23 October and were made redundant after this date can be re-employed and claimed for.
- The extended CJRS is available for all employers whether or not they have made a previous CJRS claim.



Other Changes

- It is no longer possible for employers to claim for any period of notice served by employees between 1st December 2020 and 30th April 2021. Employers also remain liable for redundancy costs.
- Employees are entitled to be paid holiday pay at full rates so employers may need to top this up if the CJRS payments are at 80%. Holiday leave continues to accrue during furlough leave but employers still need to approve any holiday request.
- Any claims made after 1st December 2020 will be published on the HMRC website. This is to meet HRMC transparency commitments and to deter fraudulent claims. Furloughed employees will also be able to view claims made for them in their personal tax account. This is to prevent claims by employers for employees who are still working.
- Employees can now request to be put on furlough leave for personal reasons such as childcare. It is up to employers whether to accept the request.

Comment

By 30th April 2021, the CJRS will have been in place for over a year and may be extended further. Whilst less generous but more flexible than originally applied in April 2020, it remains to be seen whether the CJRS has saved jobs or simply deferred redundancies.

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Disclaimer – This update is intended to provide readers with information on recent legal developments. It should not be construed as legal advice or guidance on a particular matter.