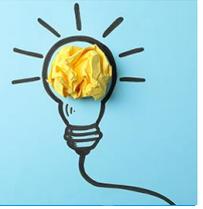


Employment – 20:20 vision Providing clarity and insight on employment law matters

Updates to the Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme

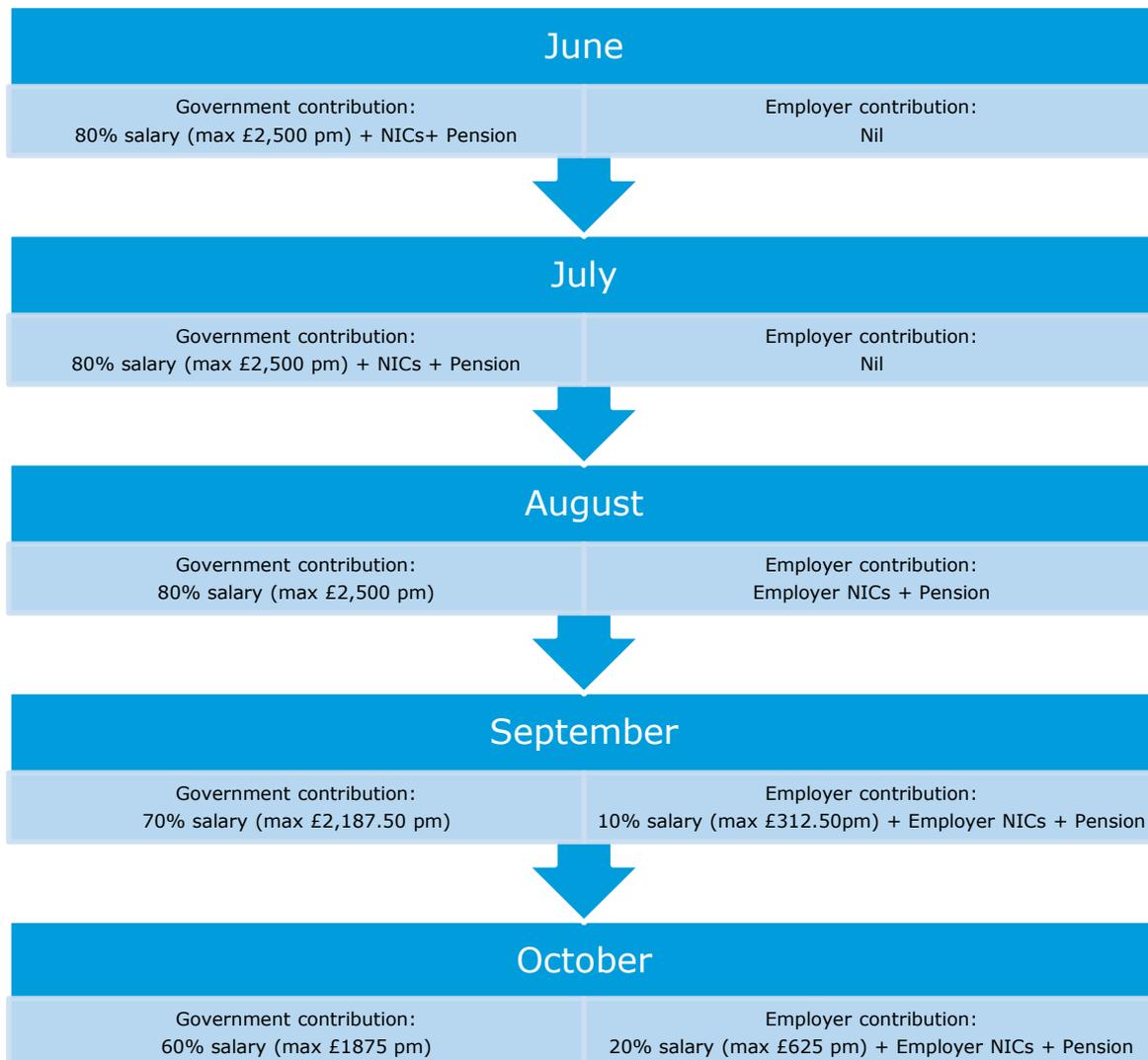


On 29 May 2020, the Chancellor announced changes to the Coronavirus Job Retention Scheme (“CJRS”) and Self-Employment Income Support Scheme (“SEISS”). In this briefing, we pick out the key points relevant for employers.

What are the key changes?

Increasing employer costs

From August 2020, the level of the CJRS grant will be tapered down with an increasing cost to employers in terms of contribution to salary, national insurance (NICs) and pensions. Our flowchart below sets out the key information on how this taper will work over the coming months.



(NICs and Pensions: the government contribution covers employer NICs and pension contributions (up to an amount equivalent to the minimum automatic enrolment employer pension contribution) calculated on 80% of wages up to £2,500 a month.)

Flexible furloughing:

- From 1 July 2020, employers will be allowed to furlough employees for part of their working week (e.g. working 3 days per week and furloughing for the other 2 days), and they will still be able to claim under CJRS for the furlough portion of the week / their normal hours **not** worked.
- When claiming the CJRS grant for furloughed hours, employers will need to report and claim for a minimum period of a week.
- To be eligible for the grant, employers must agree with their employee any new flexible furloughing arrangement and confirm that agreement in writing. This means revising your existing agreements.
- Employers will need to report hours worked and the usual hours an employee would be expected to work in a claim period. For worked hours, employees will be paid by their employer subject to their employment contract and employers will be responsible for paying the tax and employer NICs due on those amounts. Further guidance on this is expected in mid-June.

Closure to new entrants from July:

- The CJRS will close to new entrants from 30 June 2020. From this point onwards, employers will only be able to furlough employees that they have furloughed for a full three-week period prior to 30 June 2020.
- This means that the final date by which an employer can furlough an employee for the first time will be **10 June 2020**. Employers will have until 31 July 2020 to make any claims in respect of the period to 30 June 2020.
- From 1 July 2020, claim periods will no longer be able to overlap months, employers who previously submitted claims with periods that overlapped calendar months will no longer be able to do this going forward.
- The number of employees an employer can claim for in any claim period cannot exceed the maximum number they have claimed for under any previous claim under the current CJRS.
- Employers will be able to make their first claim under the new scheme from 1 July 2020.

Planning ahead

What should employers be doing in light of these changes?

- There are a number of important factors employers should be considering with respect to their workforce including:
 - What is the plan in terms of currently furloughed employees? Continue to furlough, consult over adjustments to pay and hours, redundancy consultation?
 - Does the employer want to furlough employees that have not previously been furloughed? (If so, employers need to act quickly to get these arrangements in place by **10 June 2020**)
 - Will the employer want to take advantage of flexible furloughing? Which employees will be best placed for this (beware of any discriminatory angles e.g. sex or disability discrimination)?
 - How will employees return to the workplace? Start to consult with staff re their return. Consider health and safety issues as well as the options available for different sorts of return (e.g. different shift patterns, reduced or varied hours, phased returns).
 - Do you have adequate policies in place for covid-19 related issues e.g. working from home, health and safety in the workplace, flexible working requests?
 - Think ahead about likely plans once the furlough scheme comes to an end.

Self-Employment Income Support Scheme ("SEISS")

Our previous alert setting out details of the SEISS can be found [here](#). The key updates to the scheme include:

- Eligible individuals can continue to apply for the first grant under SEISS (a taxable grant worth 80% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, capped at £7,500) until 13 July 2020.
- Applications for a second grant will open in August. Individuals will be able to claim a second taxable grant worth 70% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, capped at £6,570 in total.
- The eligibility criteria are the same for both grants, and individuals will need to confirm that their business has been adversely affected by coronavirus when applying for the second and final grant. An individual does not need to have claimed the first grant in order to be eligible for the second and final grant. Further guidance is expected in mid-June.

We have a dedicated Covid-19 team of employment lawyers keeping up to date on the latest developments and who are available to answer any questions you may have. You can find more information [here](#).



Paul Reeves
Partner
T: +44 20 7809 2916
Email: [Paul](#)



Leanne Raven
Professional support lawyer
T: +44 20 7809 2560
Email: [Leanne](#)