

Covid-19 Update - Changes to the Jobs Retention Scheme

Information correct as at 17:00 on 06/06/2020

Further to the Covid-19 note 15th May 2020 and the extension of the Jobs Retention scheme further details regarding the scheme are now available.

- From 1 July employers can access a part-time furlough scheme
- From 1 August employers will have to start contributing towards the wage costs for furloughed employees
- The Jobs Retention Scheme closes on 30 June to new entrants meaning that the last date for new employees to be furloughed is **10 June**

Part-time furlough

- Those already accessing the Jobs Retention Scheme will, from 1 July, be able to bring back furloughed employees on a part-time basis
- The government will continue to pay 80% of the wage costs for the normal hours they do not work
- The employer will be responsible for paying wages for the hours that the employee does work
- Employees can work as many hours as the business demands as there is no minimum of furloughed hours
- The working hours arrangement must, however, cover the minimum of a week
- The working hours arrangement must be given to the employee in writing
- Existing employees on the furlough scheme can remain on the full furlough scheme, on the same terms, during this period
- To access the part-time furlough employees must be on the scheme prior to 1 July, meaning that the last date new entrants can be furloughed is **10 June**

Employer contributions

Employer contributions towards the wages of furloughed staff will start to be phased in from August onwards

- In August the Government will continue to pay 80% of wages up to a cap of £2,500 but employers will be liable for employer National Insurance and pension contributions
- In September the Government will pay 70% of wages up to a cap of £2,187.50 for the hours the employee does not work, employers will be liable for the 10% of wages to top-up to 80% of a capped total of £2,500 plus the employer contributions
- In October the Government will pay 60% of wages up to a cap of £1,875 for the hours the employee does not work, employers will be liable for the 20% of wages to top-up to 80% of a capped total of £2,500 plus the employer contributions

This factsheet has been prepared by Kite Consulting for Farming Connect.



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