

LAY OFFS AND SHORT-TERM WORKING

Coronavirus Job Retention Scheme

Employer guidance

The government announced last Friday that all employers will be able to apply to HMRC for a grant to cover up to 80% of employees' wages up to a maximum of £2,500 per month per employee. This will cover payroll from 1 March 2020 for three months initially.

How to access the scheme

You will need to:

- 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
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)

HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

Further details will be announced in the coming days and we will update you as soon as we have more details or visit <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-coronavirus-covid-19>

Employee guidance

If the employer cannot cover staff costs due to COVID-19, they may be able to [access support to continue paying part of your wage](#), to avoid redundancies.

If the employer intends to access the Coronavirus Job Retention Scheme, they will discuss with you becoming classified as a furloughed worker. This would mean that you are kept on your employer's payroll, rather than being laid off.

To qualify for this scheme, you should not undertake work for them while you are furloughed. This will allow your employer to claim a grant of up to 80% of your wage for all employment costs, up to a cap of £2,500 per month.

You will remain employed while furloughed. Your employer could choose to fund the differences between this payment and your salary, but does not have to.

If your salary is reduced as a result of these changes, you may be [eligible for support through the welfare system](#), including Universal Credit.

The government intend for the Coronavirus Job Retention Scheme to run for at least 3 months from 1 March 2020, but will extend if necessary.

To keep up to date see <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-guidance-for-employees>