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Coronavirus Financial Update for Employers 6 November 2020

Extension of CJRS Scheme

From 1 July 2020, Employers will still be able to keep employees on full furlough but will also be able to bring furloughed employees back to work part-time with the government contributing to their wages for any of their normal hours they do not work. For hours worked, the employer should pay normal wages.

Employees can work as much or as little as the employer needs but any arrangement agreed with the employee must cover at least one week and be confirmed to the employee in writing.

The maximum £2,500 cap continues but will be proportional to the hours not worked.

CJRS was scheduled to finish at the end of October but has been extended until the end of March.

Employer and government contributions for furlough hours will be as follows:

- June – the government will continue to pay 80% of wages (up to a monthly cap of £2,500) plus employer National Insurance and pension contributions for fully furloughed staff.
- July – rates and contributions remain unchanged but only payable for the normal hours not worked should the employee come back part time.
- August – the employers will now be unable to claim for employers pension and national insurance contributions.
- September – the government will now pay 70% of wages with the employer having to make up the 10% reduction for hours not worked.
- October – the government will now pay 60% of wages with the employer having to make up the 20% reduction for hours not worked.

EXTENSION

- November onwards – the government will now pay 80% of wages with the employer continuing to be unable to claim for employers' pension and national insurance contributions.

As part of the extension, an employee must have been on an RTI submission made before 30 October.