

CORONAVIRUS

Job Retention Scheme

Revised Guidance issued April 4th 2020

The Government has issued revised guidance on the Coronavirus Job Retention Scheme. The revised guidance addresses some outstanding questions about the Scheme but leaves others unanswered.

Under the Scheme, employers who place employees on “furlough” (i.e. stand them down without work instead of making them redundant) will be able to claim a reimbursement of 80% of the employees’ wages up to a maximum of £2,500 per employee per month. The revised guidance confirms that:

- ▶ The Scheme covers regular payments such as overtime, fees and contractual commission (not just salary) but tips, non-cash benefits, discretionary bonuses and discretionary commission are excluded
- ▶ Employers can rehire any employee who was on the payroll as at 28 February 2020 but left for whatever reason (not just redundancy) and place them on furlough
- ▶ Employees placed on unpaid leave after 28 February 2020 can instead be placed on furlough
- ▶ Employees can take a second job during furlough, provided the employer agrees and the
- ▶ Employee does no work for the original employer or an associated entity
- ▶ The Scheme covers all workers who are paid through PAYE (not just employees)
- ▶ Employees on fixed term contracts can be placed on furlough and have their contracts renewed or extended during the furlough period
- ▶ Apprentices can be furloughed in the same way as other employees and they can continue to train whilst furloughed
- ▶ **Directors can be furloughed** and must do no work during furlough but can continue to carry out their statutory duties (eg filing company accounts)
- ▶ Employers remain liable for the apprenticeship levy and this cannot be claimed through the Scheme.