

5 November 2020

Government extends Furlough and Self-Employed Support

In tandem with the announced national lock-down in England – from 5th November to 2 December 2020 – further changes have been made to the furlough scheme and support for the self-employed. This much needed support will be welcomed by all business owners affected by the new lock-down measures.

It would appear that the extensions will apply to all regions of the UK even if each region has different lock-down arrangements.

Politicians like to hedge their bets and it may be necessary to extend the national lock-down beyond 2 December. If so, further changes may be announced in the fullness of time.

The headline details available thus far are set out below:

Coronavirus Job Retention Scheme (CJRS)

This furlough scheme will now be extended until the end of March 2021. Details released 5th November 2020 are:

- Government will cover 80% of hours not worked up to a maximum of £2,500 per person per month. This percentage support may be flexed for February and March 2021 when employers may be asked to contribute.
- Any grants paid must be passed on to the relevant employee in full.
- The previous flexibility to allow employees back part-time will continue until December.
- Employers will only be asked to cover National Insurance and pension costs and wages for time worked. Importantly, they will NOT be required to contribute to hours not worked but they are free to make top-up payments at their discretion.

Which employers/employees can claim or be eligible for this extended support?

- All employers with a UK bank account and a UK PAYE scheme can make a claim.
- There is no requirement that employers or employees have made previous claims for CJRS support.
- Employees must be on employer's payroll before midnight 30 October 2020.

Previously announced Job Support Scheme (JSS)

As the furlough scheme is now extended to the end of March 2021, This new scheme will be deferred until the extended furlough scheme ends, presumably 31 March 2021.

The Job Retention Bonus

This bonus of £1,000 per employee retained January 2021 will no longer be paid as the furlough scheme now extends to 31 March 2021. However, the Chancellor has hinted that this bonus may be reintroduced when the extended furlough scheme ends.

The Self Employed Income Support Scheme (SEISS)

The Chancellor has announced a corresponding increase in financial support for the self-employed to mirror the benefits of the extended furlough scheme.

For the period November 2020 to 31 January 2021, SEISS support will be 80% of average trading profits capped at £7,500.

The previous eligibility criteria will still apply.

Additionally, SEISS grants will be paid faster. The claims window will open at the end of November rather than the middle of December. This will provide much needed funds for the self-employed before Christmas.

There will be a further SEISS grant for the period 1 February 2021 to 30 April 2021. The amount for this period should be announced January 2021.

Government backed loan schemes

The deadline for submitting applications for government backed loans has been extended to 31 January 2021.