

Coronavirus Job Retention Scheme

This scheme provides financial assistance for employers that lay-off “furlough” employees that they can no longer afford to pay due to the COVID-19 disruption. Abridged details of the scheme are listed below:

- You must have an established PAYE scheme at 28 February 2020.
- You can only claim for employees that are “furloughed” and that do not work for you when laid-off in this way.
- You can claim 80% of monthly wage costs up to a maximum of £2,500, plus the associated Employer NIC and minimum automatic enrolment employer pension costs.
- Qualifying employees/directors must have been on the payroll on 28 February 2020.
- You can also claim for employees who were made redundant since 28 February 2020, if they are rehired.
- Employers will need to write to staff they wish to furlough and agree the new arrangements.
- The position of director/shareholders has been clarified in two respects. Firstly, that entitlement to CJRS will be linked to salaries, not salaries and dividends, and directors will not be barred from furloughing themselves if the only duties they perform are linked to their statutory responsibilities.

Action required: HMRC are presently creating an online facility that will allow employers to make claims under this scheme. This should be available during April 2020.