



Second Lockdown - Furlough Extension

On 5 November 2020, in his update to the House of Commons, The Chancellor of the Exchequer, Rishi Sunak announced that the Coronavirus Job Retention Scheme (or Furlough), will now run until 31 March 2021.

This comes hot on the heels of the late decision by the Government on 31 October 2020 to extend the furlough scheme, which was due to end that day, by one month.

The Government has reserved the right to review whether employer contributions towards furlough amounts should be made from January 2021. However, the main aspects of the scheme remain as below.

Who will be eligible to claim:

- All employers with a UK bank account and UK PAYE scheme
- Employers do not need to have previously used the CJRS

Which employees can be included in the scheme:

- Employees must have been on the employer's payroll as at 30 October 2020 (and a RTI submission made to HMRC by this date)
- Any type of employee contract is permitted, such as a part time, zero hours etc
- Any variation to normal hours must be agreed in writing with the employee

What can be claimed:

- Full time and flexi-furloughing will be permitted
- For hours not worked (which will be calculated in the same way as previously), the Government will pay 80% of the wages, up to a cap of £2,500 per month
- Employers will remain liable for the employer's National Insurance contributions and Employer's Pension contributions
- Employers must pay the full cost of hours worked and can choose to top up their employees' wages up to 100% for hours not worked
- The financial support from the scheme is in line with that operating for August 2020
- There will be no gap between the end of the existing scheme on 31 October 2020 and the start of the extended scheme, ie the extended scheme starts on 1 November 2020
- The claim period will be, as previously, for a minimum of 7 consecutive days.

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The Job Retention Bonus which was due to be paid in February 2021 has now been cancelled due to the further extension to the CJRS.

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Additionally, to assist our clients and readers in sourcing relevant information about government initiatives, financial assistance, guides and support eligibility, we have set up a dedicated COVID-19 Business Relief website containing technical resources and insights. We will be updating [this hub](#) regularly as new information becomes available. View our [COVID-19 resource hub here](#).

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