

Everything you need to know about the most recent updates to the Furlough and Self-Employed Government Support Schemes

Furlough Scheme:

Originally due to end 31st October 2020, however extended by **five months** as of the 6th November 2020, therefore will **remain open until the 31st March 2021**. The government will then review the policy in January 2021 to determine whether economic circumstances are improving enough to ask employers to contribute more.

For claim periods running up until January 2021 employees will receive **80% of their usual salary for hours not worked, up to a maximum of £2,500 per month, the £2,500 cap is proportional to the hours not worked.**

Employers are required to cover the costs of **employer national insurance and pension contributions for hours not worked.**

Previous Furlough Guidelines	July	August	September	October
Government contribution: employer NICs and pension contribution	Yes	No	No	No
Government contribution: Wages	80% of up to £2,500	80% of up to £2,500	70% of up to £2,187.50	60% of up to £1,875
Employer contribution: NICs and pension contribution	No	Yes	Yes	Yes
Employer contribution: Wages	-	-	10% of up to £312.50	20% of up to £624
Employee receives	80% of up to £2,500	80% of up to £2,500	80% of up to £2,500	80% of up to £2,500

Who can be furloughed?

- Employees can be on **any type of employment contract**, including full-time, part-time, agency, flexible or zero-hour contracts
- Employees who were **employed and on the payroll on 30th October 2020**, the employer must have made a PAYE Real Time Information submission between the 20th March 2020 and 30th October 2020 for that employee, notifying a payment of earnings for that employee
- Any employee can be furloughed they **do not have to of been furloughed previously**
- Employees can take on other work whilst furloughed providing it does not breach the rules of their existing contract

- Any employees who were **employed and on the payroll on 23rd September 2020** who **were made redundant or stopped working can be re-employed and claimed for** by companies, *the employer must have made a PAYE Real Time Information submission to HMRC between 20th March 2020 and 23rd September 2020, notifying a payment of earnings for that employee*
- Employers have **flexibility to use the scheme for employees for any amount of time or shift pattern**, *employees can be furloughed on a part-time or full-time basis, and this can be varied in agreement with the employee*
- Employers are only required to cover **National Insurance and Employer Pension contributions** for hours not worked, *the government will review this in January and decide whether employer's will be required to contribute more depending on the economic climate*
- The extended furlough scheme will operate as it previously did, with **businesses being able to claim either shortly before, during or after running payroll**, claims can be made from 8am Wednesday 11th November 2020.
 - Claims for November must be submitted to HMRC no later than 14th December 2020
 - Claims for each subsequent month must be submitted by day 14 of the following month.
- **Neither the employer nor the employee needs to have previously claimed** or have been claimed for under the furlough scheme to make a claim under the extended furlough scheme
- Employees can be furloughed where they are unable to work because they:
 - **Are shielding in line with public health guidance** (or lives with someone who is shielding)
 - Have **caring responsibilities resulting from coronavirus**, including employees which need to look after children
 - *Can not be used for short-term sick absences*

Other Guidelines:

- During hours an employee is recorded as furloughed, **they cannot do any work for their employer which makes money or provides services** for their employer or any organisation linked or associated with their employer, employees can however:
 - Take part in **training**
 - **Volunteer** for another employer or organisation
 - **Work** for another employer (if contractually allowed)
- Employees will **maintain their rights at work**, including:
 - SSP
 - Annual leave
 - Maternity and other parental rights
 - Rights against unfair dismissal.
 - Redundancy payments
 - Be paid statutory minimum wage for any hours worked

- Further details on how to claim are available on gov.uk and full guidance will be published on **Tuesday 10th November 2020**

Self-Employed Government Support Scheme:

The government have also announced an extension to the self-employed income support scheme to **support individuals who are experiencing reduced demand or who cannot trade** due to the effect of coronavirus.

The government is increasing the overall level of the grant to **80% of trading profits covering November to January** for all parts of the UK, *it is calculated based on 80% of 3 months' trading profits, paid out in a single instalment and capped at £7,500.*