

# **Covid-19 Information Sheet – *The Extended Coronavirus Job Retention Scheme (CJRS): For Employees***

This information sheet has been produced by students from BPP's Pro Bono Centre under the supervision of legally qualified staff members. The information contained in this document is accurate as of 2 December 2020.

## **Coronavirus Job Retention Scheme (CJRS) (the Furlough Scheme)**

### **What is the Coronavirus Job Retention Scheme (CJRS)?**

The government introduced the Coronavirus Job Retention Scheme (CJRS), also known as the furlough scheme, on 20 March 2020 to support employers who could not maintain their workforce as a result of the COVID-19 pandemic. The aim of the scheme was to reduce the number of redundancies employers might have to make and preserve peoples jobs.

For each employee the CJRS gave grants of up to 80% of salary for hours not worked (capped at £2,500 per month) as well as Employer National Insurance (NI) contributions and minimum pension contributions. Any further payments to employees were at the employer's discretion.

An employer was eligible if, by 19 March 2020 they: had set up HMRC's Pay As You Earn (PAYE) scheme; submitted a Real Time Information (RTI) notifying the HMRC of payment of earnings to the furloughed employee; and had the employee on payroll.

An employee under any employment contract was also eligible, including full and part-time employees, employees on agency or zero-hour contracts, or those with certain work visas. A furloughed employee could undertake volunteering or new employment, provided it was unrelated to the work for which they were furloughed.

From 1 July 2020, the government introduced the flexible furlough scheme, where employers could bring furloughed employees back to work on any amount of time or shift pattern. Employers who furloughed employees for at least three full weeks between 1 March and 30 June 2020 could apply. Although claims were no longer available for new claimants from the 30 June, employers could still submit claims for employees they had already claimed for under the CJRS. Those returning from family leave; those returning from active military duty, and those employees transferred under TUPE to a new employer after 10 June were now eligible. Although since withdrawn, a Job Retention Bonus was announced, where employers would receive £1,000 in February 2021 for every furloughed employee kept in continuous employment until 31 January 2021. A similar bonus for hiring new apprentices was also introduced.

Between 1 August and 31 October 2020, the government incrementally reduced its CJRS grants. Furloughed employees continued to receive 80% of salary capped at £2,500 p/m, but employers had to contribute more financially. From 1 August, the government paid 80% of salary and employers paid Employer NI and pension contributions for the hours employees were on furlough. From 1 September, the government paid 70% of salary and employers paid 10% of salary, NI and pension contributions. From 1 October, the government paid 60% of salary and employers paid 20% of salary, NI and pension contributions.

## What is the Extended Coronavirus Job Retention (furlough) Scheme?

On 5 November 2020, the Chancellor announced an extension to the CJRS until 31 March 2021, pending review in January 2021 to account for economic changes. Since 11 November, employers can now apply under the new CJRS guidelines for periods from 1 November. Such claims should be submitted by day 14 of the following month to which the claim refers. For example, a claim for November 2020 should be made by 14 December 2020.

Claims up to and including the 31 October, to be submitted by the 30 November, are covered by the previous CJRS and will only cover employees furloughed on or before the 30 June 2020.

The CJRS rules remain the same unless changed under the extended scheme. Although employers must pay for Employer National Insurance and pension contributions, the government will pay for 80% of salary for hours not worked, capped at £2,500 per month per employee.

For those who are self-employed, support grants have been increased from 55% to 80% of average profits (up to £7,500) until January. The Job Support Scheme has been postponed and the Job Retention Bonus has been withdrawn for February 2021, to be replaced at a more appropriate time.

Under the extended furlough scheme, your employer:

- Retains the right to bring furloughed employees back to work on any amount of time or shift pattern.
- Does not need to have used the CJRS previously to qualify.
- May apply whether their businesses are open or closed.
- If they have claimed previously, will use the same calculations for reference pay and usual hours, as under the previous CJRS guideline.
- If they have not claimed previously, will use alternative calculations under the guidelines of the extended scheme.
- May claim for any number of employees, i.e. there is no cap on the number of claims that can be made.

## Am I eligible for the extended furlough scheme?

You cannot apply for the furlough scheme yourself: your employer will need to claim on your behalf. Your employer does not need to have used the CJRS previously in order to make a claim for you as an employee.

You may be eligible for the extended furlough scheme if you are:

- Not furloughed before 31 October 2020
- On any type of employment contract, including full-time, part-time, agency, flexible or zero-hour contracts. Apprentices are also eligible if they are paid the Apprenticeship Minimum Wage (AMW), National Living Wage (NLW), or National Minimum Wage (NMW) or more during their training period. Foreign nationals on all categories of work visa are also eligible, as the grants in this scheme are not considered to be 'access to public funds'
- On your employer's PAYE payroll on 30 October 2020, provided that your employer has submitted the Real Time Information (RTI) to HMRC between 20 March 2020 and 30 October 2020
- Shielding in line with public health [guidance](#)
- Someone with caring responsibilities resulting from COVID-19, including looking after children and vulnerable people in your household
- Ill, whether due to coronavirus or other reasons, and have not been put on Statutory Sick Pay (SSP) by your employer
- Made redundant or left your job on or after 23 September 2020 (provided you were on the payroll on or before 30 October): you may be re-employed for furlough.

- On a fixed-term contract that finished on or after 23 September 2020: you may be re-employed for furlough.

Further information about your eligibility can be found on the government website [here](#).

This scheme will not apply to you if you are self-employed. However, you may be eligible for the [Self-Employment Income Support Scheme](#).

### **What is the government's contribution and how is it calculated?**

If you are fully or flexibly furloughed after 1 November 2020, the government will pay for 80% of your salary, up to a maximum of £2,500 per month, for the hours you are furloughed. This is paid in the form of money through your employer in full. Your employer may not deduct any employer contributions to your pension, National Insurance (NI) or tax contributions from the money you will receive.

The way 80% of your usual salary is calculated differs based on the way you are paid, such as whether you receive a fixed or variable salary.

### **Fixed Salary**

If you receive a **fixed salary**, 80% of your wages is calculated by:

1. Taking the wages you are entitled to in the reference period\*, and
2. Divide it by the total number of days in the pay period, then
3. Multiply it by the number of furlough days in the pay period, and
4. Multiplying it by 80%

The maximum pay you will receive through this scheme is £2500 a month.

\*The reference period is the last pay period ending on or before 30 October 2020 for claims made after 1 November 2020.

### **Example:**

If you were paid a regular monthly salary of £2,000 on the last day of every month and have been put on furlough from the 6 November 2020, 80% of your wages is calculated as follows:

1. £2,000 (your monthly salary, i.e. the wages you received in your reference period\*)
2. Divide by 30 (the total number of days in November)
3. Multiply by 25 (the number of furlough days in November, i.e. 6 – 30 November (inclusive))
4. Multiply by 80% (which determines 80% of your salary)

Therefore, 80% of your wages = £ (2,000/30) x 25 x 80% = £1333.33

### **Varied Salary**

If your pay **varies**, 80% of your usual wages is determined by when you were on your employer's payroll.

80% of your usual wages will be the higher of either;

- The wages you earned in the corresponding calendar period in the tax year 2019 to 2020, or
- The average wages payable in the tax year 2019 to 2020

Otherwise, 80% of your wage will be the average of the salary you have received between 6 April 2020, (or if later, the date your employment started), and the day before you are furloughed on or after 1 November 2020.

Further information on how to calculate 80% of your usual wages, including examples, can be found on the government website [here](#).

### **Am I still eligible for the furlough scheme if I have been made redundant or have left my job?**

If you have been made redundant or have left your job on or after 23 September 2020, your employer can re-employ you and put you on the furlough scheme, if:

- You are on your employer's PAYE payroll on 23 September 2020, and
- Your employer has made a RTI submission to HMRC between 20 March 2020 and 23 September 2020.

The students from BPP Pro Bono Centre have also produced an information sheet on redundancy which can be accessed via this [link](#).

### **Am I still eligible for the furlough scheme if I am shielding on public health guidance or sick?**

You may be eligible for the furlough scheme at the discretion of your employer if you are unable to work because:

- You are identified as being within the [clinically extremely vulnerable](#) group, as defined by Public Health England, or
- You are at the highest risk of severe illness from coronavirus, or
- You are on long-term sick leave

If you are on a short-term absence due to sickness or self-isolating as a result of coronavirus, you may be eligible for Statutory Sick Pay (SSP). You will not be automatically eligible for the furlough scheme. However, if your employer decides to put you on furlough, you will be classified as a furloughed employee and will no longer be entitled to any sick pay.

### **What support is there if I have been told to self-isolate under the NHS Test and Trace system and cannot work from home? Who is eligible and how do I apply?**

From 28 September 2020, you are under a legal duty to self-isolate if asked to do so by NHS Test and Trace service. You could be eligible for the **Test and Trace Support Payment** if you are on a low income and you meet all of the following criteria:

- You live in England
- You have been asked to self-isolate by NHS Test and Trace either because:
  - a) You have tested positive for coronavirus (COVID-19), or
  - b) You have recently been in close contact with someone who tested positive
- You are employed or self-employed
- You are unable to work from home and will lose income because you are self-isolating
- You are currently receiving at least ONE of the following:
  - a) Universal Credit
  - b) Working Tax Credit
  - c) Income-based Employment and Support Allowance
  - d) Income-based Jobseeker's Allowance
  - e) Income Support
  - f) Housing Benefit
  - g) Pension Credit

If you meet the first four criteria but do not receive any benefit or income-related allowance, you may still be eligible for a **discretionary payment** if you are on a low income and will face financial hardship due to not being able to work while self-isolating. This payment is subject to your local council and further information should be found on their website.

If you are told to self-isolate, but are not eligible for the Test and Trace Support Payment and you cannot work from home, you may be eligible for **Statutory Sick Pay**. If you need a note

for your employer, you can access the Isolation Note Service [here](#). Your employer may also check that your isolation note is valid.

### What will I get?

If you are eligible for the Test and Trace Payment or discretionary payment, you will be paid a lump sum of £500 on top of any Statutory Sick Pay or benefits that you are currently getting.

If you are not eligible for the Test and Trace Payment, you may still be eligible for Statutory Sick Pay.

### How do I apply?

You can apply for the Test and Trace Support Payment or discretionary payment through your local council. You can find your local council's application page by using the search tool on: <https://www.gov.uk/test-and-trace-support-payment>.

### What proof or documents do I need to provide?

You will need to have all of the following:

- The notification by NHS Test and Trace (by phone, text message or email) asking you to self-isolate with the 8-digit code
- Proof that you receive one of the qualifying benefits (listed above)
- A recent bank statement
- Proof of employment if you are employed, or, if you are self-employed, evidence of self-assessment returns, trading income and proof that your business delivers services that cannot be undertaken without social contact

Further information, including what documents are required to support your application, can be found on your local council's application page.

### When will this scheme end?

This scheme will run until 31 January 2021.

### **What if I have been told to self-isolate by the NHS COVID-19 app but not the NHS Test and Trace system?**

The NHS COVID-19 app is the official contact tracing app for England and Wales.

If you have been told to self-isolate by the NHS COVID-19 app, you are not currently eligible to apply for the NHS Test and Trace Support Payment, unless you have also received a notification from the NHS Test and Trace system by phone, text message or email, and you meet the criteria listed above.

There have been reports in the news that a new feature to claim Self-Isolation Payment will be included in the new version of the app. However, at the time of writing this information sheet, the current version of the app does not contain this function.

Further information about the app can be found [here](#).

### **What has happened to the Job Support Scheme?**

Following the extension of CJRS, the Job Support Scheme was postponed on 1 November 2020. The government will issue further guidance on the Job Support Scheme when the CJRS ends.

## **Further Information**

### **Help and Advice**

**Gov.uk: Collection: Coronavirus Job Retention Scheme (Updated 5 October 2020)**  
<https://www.gov.uk/government/collections/coronavirus-job-retention-scheme>

**Gov.uk: Guidance: Check if your employer can use the Coronavirus Job Retention Scheme (Updated 1 December 2020)**  
<https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme>

**Gov.uk: Guidance: Claiming financial support under the Test and Trace Support Payment scheme (Updated 26 November 2020)**  
<https://www.gov.uk/government/publications/test-and-trace-support-payment-scheme-claiming-financial-support/claiming-financial-support-under-the-test-and-trace-support-payment-scheme>

**Latest NHS information and advice on Coronavirus**  
<https://www.nhs.uk/conditions/coronavirus-covid-19/>

### **Information and Updates**

The UK Government publishes a few documents and updates as part of the ongoing response to Covid-19. These can be found on the UK Government website here:  
<https://www.gov.uk/coronavirus>

### **Wellbeing**

This is an extremely difficult time for everyone. There is much uncertainty and a lot of anxiety. Along with your physical health, it is important to look after your emotional wellbeing during this period. There are a number of organisations that can help you during this difficult time.

**NHS: Every Mind Matters** - <https://www.nhs.uk/oneyou/every-mind-matters/>

**Mind** - 0300 123 3393 (Monday to Friday, 9am to 6pm) [www.mind.org.uk](http://www.mind.org.uk)