**Coronavirus Job Retention Scheme extension – guidance 1 November**

**Here is a summary of the key points made**. The link to the Government website is below.

<https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>

* This extended Job Retention Scheme will operate as the previous scheme did, with organizations being paid upfront to cover wages costs. There will be a short period when the Government needs to change the legal terms of the scheme and update the system and businesses will be paid in arrears for that period.
* The scheme is being extended until December. The level of the grant will mirror levels available under the scheme in August 2020, so the government will pay 80% of wages up to a cap of £2,500 and employers will pay employer National Insurance Contributions (NICs) and pension contributions **only for the hours the employee does not work**.
* As under the current scheme, flexible furloughing will be allowed in addition to full-time furloughing.
* Further details, including how to claim this extended support through an updated claims service, will be provided shortly.
* The Job Support Scheme will be introduced following the end of the Furloughing Scheme.

### Who is eligible?

### Employers

* All employers with a UK bank account and UK PAYE schemes can claim the grant. Neither the employer nor the employee needs to have previously used the Job Retention Scheme.

**Employees**

* To be eligible to be claimed for under this extension, employees must be on an employer’s PAYE payroll on 30th October 2020.
* Employees can be on any type of contract. Employers will be able to agree any working arrangements with employees.
* Employers can claim the grant for the hours their employees are not working, calculated by reference to their usual hours worked in a claim period. Such calculations will broadly follow the same methodology as currently under the scheme.
* When claiming the scheme grant for furloughed hours, employers will need to report and claim for a minimum period of 7 consecutive calendar days.
* Employers will need to report hours worked and the usual hours an employee would be expected to work in a claim period.
* For worked hours, employees will be paid by their employer subject to their employment contract and employers will be responsible for paying the tax and NICs due on those amounts.

#### What support is being provided and employer costs:

* For hours not worked by the employee, the government will pay 80% of wages up to a cap of £2,500. The grant must be paid to the employee in full.
* Employers will pay employer NICs and pension contributions, and should continue to pay the employee for hours worked in the normal way.
* As with the current scheme, employers are still able to choose to top up employee wages above the scheme grant at their own expense if they wish.
* The Government will confirm shortly when claims can first be made in respect of employee wage costs during November, but there will be no gap in eligibility for support between the previously announced end-date of scheme and this extension.

The Government have stated that further guidance will be made available in due course so I will keep you updated on developments

Best regards

Rob

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