

Are you up to date with the latest changes to the “Furlough” scheme?

Since the introduction of the Coronavirus Job Retention Scheme (“CJRS”) in April 2020 in response to the Covid-19 pandemic, there have been many changes made to CJRS.

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Please note: the information contained in this legal update is correct as of the original date of publication.

Since the introduction of the Coronavirus Job Retention Scheme (“CJRS”) in April 2020 in response to the Covid-19 pandemic, there have been many changes made to CJRS. Whilst we have all become familiar with the broad principal of the scheme, primarily being the ability for employers to ‘furlough’ employees and claim up to 80% of employee’s salaries (up to a £2,500 per month cap) from the government for those with a no or a reduced workload. There have, however, been small yet significant changes to the scheme over the last few months that you will want to be aware of, especially if you are utilising the scheme. These include:

- **Notice** - for claim periods starting on or after 1 December 2020, an employer cannot make a claim for days during which an employee was serving their contractual or statutory notice period (this includes those working their notice following their resignation or prior to retirement).
- **Claim deadlines** – HMRC has tightened its timescales for submitting CJRS claims, requiring a claim to be brought by the employer within 2 weeks of the end of the month claimed for; for example, claims in respect of January 2021 will need to be submitted by the 15 February 2021. HMRC have provided a list of situations that ‘may’ be considered a ‘reasonable excuse’ for missing these deadlines, however it is always best to avoid missing the deadline.
- **Extension** – The CJRS has most recently been extended until the end of April 2021, with confirmation provided by Rishi Sunak, Chancellor of the Exchequer, that government contributions will remain at the same level. This is unsurprising to many and the Job Support Scheme proposed in October 2020 to replace CJRS appears to have been long forgotten with the introduction of further lockdowns and tier systems.
- **Naming employers** - as part of its attempts to deter fraud, from 1 December, HMRC will be publishing the names of employers who make use of the scheme. The exact value of the claim will not be published, although bands will be used to give an indication of the value claimed.
- **Employee circumstances** – HMRC guidance in January 2021, has confirmed that employees can (but are not required to be) furloughed where their health has been affected by Covid-19 or any other conditions, including if they are unable to work from home or working reduced hours because they:
 - are clinically extremely vulnerable or at the highest risk of severe illness from Covid-19 following [public health guidance](#); or
 - have caring responsibilities resulting from Covid-19, such as caring for children who are at home as a result of school closures or caring for a vulnerable individual in their household.

The ultimate decision whether to furlough an employee is of course for the employer to make.

It is important to be alive to these changes, especially where you are utilising the CJRS to ensure that you do not fall foul of late claims or making a claim for a notice period. Although we have been through multiple extensions of the scheme, the government guidance is regularly updated to reflect the everchanging (dare I say it) unprecedented times we are all living in and it’s essential that employers are aware of the ongoing developments to ensure that they are getting it right.

A late claim may result in not receiving the grant under the CJRS, in the absence of a 'reasonable excuse', or claiming where you are not authorised to do so i.e., notice periods could result in HMRC requesting a repayment for the relevant amount.

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