

## FAQS – CORONAVIRUS JOB RETENTION SCHEMES (CJRS)

The Coronavirus Job Retention Scheme (CJRS) is a temporary scheme open to all UK employers for at least three months starting from 1 March 2020. Any UK organisation with employees can apply no matter how big or small.

The outline of the scheme is set out [here](#).

**Below we have set out some of the most frequently asked questions asked by our clients regarding CJRS:**

### DO INDIVIDUALS STILL HAVE TO PAY TAX ON CJRS?

Yes – individuals will pay Income Tax and National Insurance on any payments received through this scheme as they are a replacement for income in line with normal practise for benefits or grants that replace income.

### WILL THIS COVER THE COST OF EMPLOYER NATIONAL INSURANCE CONTRIBUTIONS AND EMPLOYER PENSION CONTRIBUTIONS?

Yes – employers will be able to apply for a grant to cover the Employer National Insurance contributions and minimum automatic enrolment pension contributions on paying the lower of 80% of regular salary or £2,500 per month.

### CAN A BUSINESS FURLOUGH SOMEONE AFTER HEARING THE ANNOUNCEMENT AND THEN CLAIM BACK TO MARCH 1ST EVEN THOUGH THEY HAD BEEN WORKING THAT WHOLE TIME?

No – the scheme is backdated to March 1st with a view to covering those who have already been made redundant as a result of the coronavirus.

### WHAT ABOUT EMPLOYEES TAKEN ON AFTER 1 MARCH?

They are excluded from the scheme.

### TO QUALIFY, DOES THE BUSINESS NEED TO BE 'ESSENTIAL'?

No - all businesses which employ and pay workers through the PAYE system are eligible.

### CAN MY EMPLOYER TOP THIS UP?

Yes - In order to qualify for the scheme, employers must pay their staff at least 80% of wages, up to the cap of £2,500 per month. For employees earning over £2,500 per month any amount of top-up may be paid. It is up to the employer if they wish to make any top-up payment.

### WHAT ABOUT EMPLOYEES THAT HAVE ALREADY BEEN MADE REDUNDANT?

The scheme will be back dated to March 1 with a view to covering those who have already been made redundant due to the Coronavirus outbreak.

If firms re-employ staff made redundant after March 1st, they are eligible to then be furloughed and the employer would qualify for the grant.

### CAN MY EMPLOYER SACK ME WHILE I'M ON FURLOUGH? IS MY EMPLOYER ALLOWED TO SACK ME AS SOON AS THE FURLOUGH SCHEME COMES TO AN END?

Yes - you can still be made redundant while on furlough or immediately after. There is no requirement to bring the employee back to work after the period of furlough. If an employee is made

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redundant during the period of furlough, then grant payments to the employer will cease. However, in both cases normal redundancy rules and protections will apply.

Where a business feels that redundancy is the only option, this must still follow the rules which include giving a notice period and consulting staff before a final decision is reached.

More information on redundancy can be found at: <https://www.gov.uk/redundancy-your-rights>.

#### CAN I BE FURLOUGHED FOR A SHORT PERIOD OF TIME, E.G. A WEEK OR A COUPLE OF DAYS, AND THEN RE-EMPLOYED?

A worker must be furloughed for a minimum of 3 weeks for their employer to be eligible to claim under this scheme.

This is consistent with the public health guidance seeking to minimise the number of people outside of their homes on a regular basis. The scheme supports employers asking the maximum number of employees to remain at home during the coronavirus outbreak.

A clear minimum period also aids a clear definition of who is and who is not furloughed.

#### WHAT ELSE SHOULD I BE CONSIDERING FOR MY BUSINESS?

Our FAQ for business affected by COVID-19 can be found [here](#). It sets out a number of other options including but not limited to:

- Deferring VAT that comes due in the next 3 months
- Deferring your 31 July 2020 payment on account to 31 January 2021
- Coronavirus Business Interruption Loan Scheme

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