



## Job Retention Scheme (26 March update)

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### Eligibility – employers

- Employer must have a PAYE payroll scheme in place no later than 28 February 2020
- Employer must have UK bank account
- Employer can be: business, charity, recruitment agency (paying agency workers through PAYE), (in some cases) public authorities

### Eligibility – employees

- Must have been on PAYE payroll at 28 February 2020. Subsequent hires not covered
- Employee can be full-time, part-time, flexible or on zero-hour contracts
- Also includes those dismissed for redundancy post 28 February 2020 but re-hired

### Furlough

- The employee must be designated as furloughed
- They cannot undertake any work for or on behalf of the employer. It is not clear whether they can be rotated on or off furlough
- Minimum period for furlough is 3 weeks
- So if retained but on reduced hours, the scheme does not apply

### Contracts

- If there are contract changes, you must agree with the worker
- Must make sure, in selecting who to furlough, no to breach the Equality Act 2010
- it's a condition of entitlement that you write to the employee confirming furlough and keep a record

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### Contact us and speak to a Partner for more information

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## **Furlough**

- Cannot be furloughed if on unpaid leave
- Cannot be furloughed if already sick or self-isolated and getting SSP
- Can be furloughed if shielding in line with public health guidance
- Can be furloughed if have more than one job
- Can be furloughed if on maternity, contractual adoption, paternity or shared parental pay and entitled to contractually enhanced pay

## **The claim**

- You can only submit one claim at least every three weeks
- Claims can be backdated to 1 March, if applicable
- The claim will be through a portal and will cover 80% of employees' usual monthly wages/salary cost up to £2,500 per month, plus associated Employer National Insurance contributions and minimum automatic enrolment employer pension scheme contributions on that wage/salary.
- For full time and part time employees, the employee's actual salary before tax, as of 28 February should be used to calculate the 80%. Fees, commission and bonuses should not be included
- If pay varies and:
- Employed for 12 months , the higher of the same month's earnings for the previous year or average monthly earnings in 2019/20 tax year
- Employed less than a year but before February 2020 – pro-rated sum based on earnings to date of claim

## **PAYE/NIC**

- Payable on sums paid (but employer contributions can be claimed)

## **Auto-enrolment pension contributions**

- Still apply (but employer minimum contributions can be claimed)

## **Other**

- Employer does not have to top up salary/wages
- No entitlement to National Living or Minimum Wage when furloughed