



**The Manufacturing Technologies  
Association**

## **MTA News Update 15/06/2020**

### **Changes to Job Retention Scheme (Furlough)**

Late on Friday the Government released details of how the Coronavirus Job Retention Scheme (CJRS) will change from 1 July 2020 to allow “part-time furloughs”.

Under the “flexible furlough scheme”, employees no longer need to avoid doing any work for the employer but can work for some of the week and be furloughed for the rest, in proportions decided between employee and employer.

From 1 July, employers can bring furloughed employees back to work for any amount of time and any work pattern, while still being able to claim the grant for the hours not worked. From this date, only employees that you have successfully claimed a previous grant for will be eligible for more grants under the scheme. This means they must have previously been furloughed for at least 3 consecutive weeks taking place any time between 1 March and 30 June 2020. For the minimum 3 consecutive week period to be completed by 30 June, the last day an employee could have started furlough for the first time was 10 June, so if this has not already started, it is now too late. This may differ if you have an employee returning from statutory parental leave.

The other significant change is that the minimum three week period for furlough will be removed as of 1 July 2020. There is no minimum period, although any claim through the CJRS portal must be in respect of a minimum one week period (i.e. employers can only put in four claims a month, not 31). The scheme is complex but the following links will help guide you through the process.

- (1) Check if you can claim (original employer guidance doc - now version 14) - UPDATED (<https://lnkd.in/eYzzGjz>)
- (2) Check which employees you can put on furlough guidance doc - UPDATED (<https://lnkd.in/evQs5Vx>)
- (3) Steps to take before calculating your claim using the CJRS - NEW (<https://lnkd.in/e5rzxcs>)
- (4) Calculate how much you should claim - NEW (<https://lnkd.in/eyP5rwJ>)
- (5) Claim for your employees' wages online - UPDATED (<https://lnkd.in/epPf9SU>)
- (6) Report a payment in PAYE RTI - UPDATED (<https://lnkd.in/eE8YxCQ>)
- (7) Part-furlough worked example - NEW: (<https://lnkd.in/eSBipD9>)
- (8) Long list of worked examples - UPDATED (<https://lnkd.in/ebxX9D9>)

Broadly, from 1 July, employers will claim a pro rata amount of 80% of salary, based on the proportion of hours not worked out of normal working hours. To calculate the normal working hours for those with fixed hours/pay, you simply take the number of hours worked in the pay period before 19 March 2020. To calculate the normal working hours for those with variable pay, you take the higher of (a) the average number of hours worked in the tax year 2019 to 2020 or (b) the corresponding calendar period in the tax year 2019 to 2020.

There are a couple of other factors to remember:

- Separate claims will need to be made for pay periods that overlap between June and July.
- While employers will still be able to claim National Insurance Contributions (ER NICs) and pension contributions for the hours the employee is on furlough (employers will have to pay employees for the hours they work) in July, from August employers will pay ER NICs and pension contributions for the hours the employee is on furlough. Other changes will apply for September and October which reduce the amount that the Government will pay.

We will keep you up to date with any changes to these processes as and when they are announced.