



## Extension of Job Retention Scheme

On 5 November 2020 the Chancellor, Rishi Sunak, announced changes to the package of support measures being introduced as a consequence of a second national lockdown for England. In the original package the Coronavirus Job Retention Scheme (CJRS) was extended until the planned lifting of the lockdown on 2 December. The Chancellor has now announced that the CJRS will be extended to the end of March.

### Extended CJRS – government support

The extended CJRS applies to all of the UK. The scheme follows the flexibility of the CJRS and so can be used for employees for any work pattern including full-time furlough.

Employees will receive 80% of their usual salary for hours not worked, up to a maximum of £2,500 per month. Calculations will broadly follow the same methodology as under the CJRS. Employees can top up employee wages if they wish. Employees will be paid for worked hours by their employer on the terms in their employment contract.

Under the scheme employers can claim for the salary received by the employee for hours not worked. Employers will need to cover the employer Class 1 National Insurance contributions and employer pension contributions.

There is no gap in support between the previously announced end-date of the CJRS and the extended CJRS.

The government will review the amount of support given in January to decide whether economic circumstances are improving enough so that employers will need to make more contributions for hours not worked.

### Extended CJRS – eligibility

All employers with a UK bank account and a UK PAYE scheme can make a claim. Neither the employer nor the employee needs to have previously claimed or have been claimed for under the CJRS to make a claim under the extended CJRS.

An employer can claim for employees who were employed and on their PAYE payroll on 30 October 2020. The employer must have made a PAYE Real Time Information (RTI) submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.

In addition, employees who have recently been made redundant or stopped working for the employer can be re-employed. The employees must have been employed and on the payroll on 23 September. The employer must have made an RTI submission to HMRC from 20 March 2020 to 23 September 2020, notifying a payment of earnings for those employees.



### When can a claim be made?

The extended CJRS will operate as the previous scheme did, with businesses being able to claim either shortly before, during or after running payroll. Claims can be made from 8am Wednesday 11 November.

### How we can help

**Please be assured that we are here to provide you with support, so please contact us if you have any queries on the extension of the CJRS.**

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Claims made for November must be submitted to HMRC by no later than 14 December 2020.

Claims relating to each subsequent month should be submitted by day 14 of the following month, to ensure prompt claims following the end of the month which is the subject of the claim.

### HMRC guidance

HMRC guidance is still being developed. Below are some links to guidance which will be updated (and continue to be updated) in the next few days:

Which employees can be put on the CJRS?: <https://bit.ly/3enpXoU>

Reporting employees' wages: <https://bit.ly/32bbx6y>

Claim for wages: <https://bit.ly/3kZQmvu>

How much you can claim: <https://bit.ly/3mOKjDR>



### Job Support Scheme

As part of the Winter Economy Plan Chancellor Rishi Sunak announced the introduction of the government's new Job Support Scheme (JSS). There have been two revisions to the plan since then. The JSS was due to be introduced from 1 November until 30 April 2021. We may see the JSS being introduced after March, but the government is planning to review the terms of the JSS in January anyway. As a result, we are not covering the detail of the JSS here.

### Jobs Retention Bonus

The Jobs Retention Bonus was announced by the Chancellor in July. The Bonus was to have provided a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021 and who earned at least £520 a month on average between 1 November 2020 and 31 January 2021.

The purpose of the Bonus was to encourage employers to keep people in work until the end of January. The government now considers that with the extension of the CJRS, the policy intent of the Bonus falls away. The government intends to redeploy a retention incentive at the appropriate time.