

Job Retention Scheme (JRS) 30th March FAQ for employers.

Consultation is key. Letter templates and guidance advice is available from Ward Williams HR Limited.

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IMPORTANT: You must consult with your staff and gain their acceptance to being furloughed.

1. What is JRS?

A temporary scheme open to all employers for at least 3 months starting 1st March 2020. There is no financial limit as to what employers can claim. The scheme is limited only by a cap on the maximum grant that can be claimed in respect of an individual employee.

2. How does it work?

Employers can apply to HMRC for a grant to cover the lower of 80% of an employee's regular salary of £2500.00 per month (capped) plus employer's National Insurance Contributions and employer's minimum pension contributions of 3%. Fees commission and bonuses are not included.

3. What employers are eligible for JRS?

The scheme is open to all UK employers that had created and commenced a PAYE scheme at the end of February 2020.

4. Which employees benefit from JRS?

The scheme applies to designated affected employees on or before the end of February 2020.

5. Is the scheme limited to certain types of employees?

No, it applies to full time and part time employees, employees on agency contracts and employees on flexible or zero – hour contracts.

6. For how long must employees be furloughed?

Employees must be furloughed for a minimum of 3 weeks.

7. Can Employees be furloughed on a rota basis?

Yes, however employers must ensure a fair selection process.

8. Does JRS apply to employees who are on reduced working/reduced pay?

No, they will not be eligible. Employers will continue to pay the employees through the payroll.

9. Can employees that have 2 employers be furloughed for both?

Yes, there is no prohibition.

10. Do employers have to top up the difference between the grant of 80% of wages costs and furloughed employees' normal wages?

No, but employers can do if they wish.

11. Will employers have to repay all grant payments?

No, the JRS is not a loan. Provided you do not breach the terms of the grant it is not repayable.

12. How do you apply for the JRS grant?

Applications for JRS will be through an HMRC online portal. The aim is for the portal to be available by the end of April. However, there is a possibility that it will be delayed due to teething issues.

13. Can employees who start their employment on or after 1st March 2020 be furloughed?

No, only employees who were employed and on a PAYE payroll on or before the end of February will be eligible.

14. Will the grants be longer than 3 months?

The grants are available until 31st May 2020. However the government has indicated that the scheme may be extended beyond this date.

15. Does holiday accrue while employees are furloughed?

Yes.

16. Can employees on sick leave be furloughed?

No, but they can be furloughed when they return to work.

17. Can employees on maternity leave be furloughed?

No, however employees can request to return to work at an earlier day. The correct notice of 8 weeks from the employee to the employer is required. Employer may consider reducing this notice if need be.

18. Can employers insist on employees being furloughed?

No, only if the employers has a lay off clause within the employee contract. (Employment law will comply here).

19. How do employers select employees to be furloughed?

Employers will need to tread carefully here. Employers will need to determine and assess the needs of their business. A fair selection criteria should be relied upon to avoid any discrimination. Prioritising vulnerable employees is probably reasonable.

20. Can employees insist on being furloughed?

No, however employers must ensure their selection criteria is fair and give the employee due consideration to their request.

21. What if an employee refuses their consent to being furloughed?

If there is no contractual right for the employer to lay-off, the employee is entitled to refuse and work under protest. Again, the earlier you consult with an employee the more likely the employee will be on side.

As of 30th March 2020 the government has not yet published legislation on the scheme. The content of this fact sheet is for general purpose only and does not constitute legal or other professional advice.