Changes to Coronavirus Job Retention Scheme (CJRS)

From 1 July, employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim CJRS grant for the hours not worked.

Wage caps are proportional to the hours an employee is furloughed. For example, an employee is entitled to 60% of the £2,500 cap if they are placed on furlough for 60% of their usual hours. From 1 August 2020, the level of grant will be reduced each month before the scheme ends on 31 October 2020.

Timeline of changes:

- For July, the Government will pay 80% of wages up to a cap of £2,500 for the hours the employee is on furlough, as well as employer 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.**
- For August, the Government will pay 80% of wages up to a cap of £2,500 for the hours an employee is on furlough and **employers will pay ER NICs and pension contributions for the hours the employee is on furlough.**
- For September, the Government will pay 70% of wages up to a cap of £2,187.50 for the hours the employee is on furlough. **Employers will pay ER NICs and pension contributions and top-up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed.**
- For October, the Government will pay 60% of wages up to a cap of £1,875 for the hours the employee is on furlough. **Employers will pay ER NICs and pension contributions and top-up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for time they are furloughed.**
- Employers will continue to able to choose to top-up employee wages above the 80% total and £2,500 cap for the hours not worked, at their own expense.

The table below shows the Government contribution, required employer contribution and the amount received by the employee where the employee is furloughed 100% of the time.

	July	**August**	**September**	**October**
Government contribution: employer NICs and pension contributions	Yes	No	No	No
Government contribution: wages	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875
Employer contribution: employer NICs and pension contributions	No	Yes	Yes	Yes
Employer contribution: wages	-	-	10% up to £312.50	20% up to £625
Employee receives:	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month

Gambit acts as a partner to shareholders and an extension to senior management teams to help overcome current challenges and any impact on longer term plans and goals. If you would like to set up a call to discuss the challenges facing your business, please contact a member of the team.

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