Coronavirus Job Retention Scheme - FAQs

Can all staff be furloughed?

- All staff that were on payroll as at 28 February 2020 are eligible for furlough.
- This includes full and part-time employees, those on zero-hour contracts and employees on agency contracts, provided they are not working.
- The scheme also covers employees that have been made redundant after 28 February 2020 but have subsequently been re-hired by their employer.

What are the exceptions?

- The job retention scheme is not applicable to employees working reduced hours or receiving reduced pay.
- Furloughed employees are not allowed to work for the company in any capacity.
- Employees hired after 28 February 2020 cannot be furloughed.
- Employees on unpaid leave cannot be furloughed, unless they were placed on unpaid leave after 28 February.
- Once an employee is not longer on sick leave, they can also be furloughed. Employees on sick leave or self-isolating as a result of COVID-19 are entitled to statutory sick pay of £94.25 per week from their first day of absence.

Can furlough claims be backdated?

- Yes, the scheme is open to all UK employers for at least three months starting 1 March 2020.

Can employees with multiple employers be furloughed?

- Employees with more than one employer can be individually furloughed for each job.
- Employees will receive 80% of their normal wage, up to a maximum of £2,500 per month, per employer.
- Employees can work for other employers whilst on furlough, providing their employment contract allows for this.
- However, employees on agency contracts cannot work in any capacity.

How are furlough claims calculated?

- Employers can claim a grant to cover 80% of an employees regular wage, up to a maximum of £2,500 per month. Employers do have the option to top-up the remaining 20%, however, this is not mandatory.
- For full and part-time employees, claims should be calculated at 80% of the actual salary before tax, as at 28 February 2020. Fees, commissions and bonuses should not be included.
- For those whose pay varies and have been employed by the company for at least a year, employers can claim for the higher of either the same month's earnings from the prior year, or the average monthly earnings from the 2019-20 tax year.
- For those who have been employed for less than a year, employers can claim for an average of the employee's monthly earnings since their employment date.
- For employees who commenced employment in February 2020, claims can be calculated on a pro-rata basis.

What is the effect on Employers National Insurance and pension contributions?

- Employers will receive the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on claimed wages.
- However, National Insurance and automatic enrolment contributions on any additional top-up salary will not be funded through the scheme.

How does the claims process work?

- Employers will be able to claim via an online portal which is expected to be made available by the end of April.
- Employers will need to calculate the claim amount and provide details of the number of employees being furloughed, the claim period, ePAYE reference number, bank details and contact details.
- Once the claim is received by HMRC and eligibility confirmed, the amount will be paid via a BACS payment to a UK bank account.