

## **Subject: FW: FAQs on Job Retention Scheme**

### **CORONAVIRUS JOB RETENTION SCHEME**

- **Any large or small employer can apply to put workers on temporary leave or “furloughed” status.** The government will then pay them cash grants of 80 per cent of their wages up to a cap of £2,500, providing they keep the worker employed.
- **They will receive the grant from HMRC.** All UK organisations can self-certify that it has furloughed employees. The scheme will cover the cost of wages backdated to March 1. All UK-wide employers with a PAYE scheme will be eligible, including the public sector, local authorities and charities.
- **The scheme will be open initially for at least 3 months.** But we will extend it for longer if necessary. There is no limit on the amount of funding available for the scheme.
- **We expect the first grants to be paid within weeks.** HMRC are working night and day to get the scheme up and running and we’re aiming to get it done before the end of April. Existing systems are not set up to facilitate payments to employers.

#### ***Do individuals still have to pay tax on this?***

- Yes – individuals will pay Income Tax and National Insurance on any payments received through this scheme as they are replacement for income in line with normal practise for benefits or grants that replace income.

#### ***Will this cover the cost of employer National Insurance contributions and employer pension contributions?***

- Yes – employers will be able to apply for a grant to cover the Employer National Insurance contributions and minimum automatic enrolment pension contributions on paying the lower of 80% of regular salary or £2,500 per month.

#### ***How will this work for those on zero-hour/flexible contracts/agency workers?***

- This scheme aims to support all those employed through the PAYE system regardless of their employment contract, including those on zero-hour contracts.
- Zero-hour and flexible contracts can cover a whole range of working arrangements.
- The 80% grant is applied to the higher of: (1) the earnings in the same pay period in the previous year; or (2) the average earnings in the whole previous 12 months (or fewer if they have worked for less time than this, including a part month calculation if they were taken in February).

#### ***Can a business furlough someone after hearing the announcement and then claim back to March 1<sup>st</sup> even though they had been working that whole time?***

- No – the scheme is backdated to March 1<sup>st</sup> with a view to covering those who have already been made redundant as a result of the coronavirus.

#### ***What about employees taken on after 1 March?***

- They are excluded from the scheme.

#### ***To qualify, does the business need to be ‘essential’?***

- No, all businesses which employ and pay workers through the PAYE system are eligible.

#### ***Why are you not supporting me if my hours are reduced?***

- The scheme is designed to help those who otherwise would have been made unemployed.
- We recognise that some people will work fewer hours.
- We have strengthened the welfare system to support those whose hours change including an increase to the UC standard allowance and the working tax credit basic element.
- This builds on the initial package announced at Budget including enhancements to contributory

employment support allowance, which will now be available from day 1 and making advances for all new UC claimants available online with no requirement to attend a job centre.

***Why isn't this supporting part-time working?***

- The scheme is designed to help those who otherwise would have been made unemployed.
- The public health guidance is clear that people should stay at home unless they are a key worker.

***Can my employer top this up?***

- Yes. In order to qualify for the scheme, employers must pay their staff at least 80% of wages, up to the cap of £2,500 per month. It is up to them if they wish to top up the additional 20 per cent.

***What about employees that have already been made redundant?***

- The scheme will be back dated to March 1 with a view to covering those who have already been made redundant due to the Coronavirus outbreak.
- If firms re-employ staff made redundant after March 1<sup>st</sup>, they are eligible to then be furloughed and the employer would qualify for the grant.

***Can my employer sack me while I'm on furlough? Is my employer allowed to sack me as soon as the furlough scheme comes to an end?***

- Yes, you can still be made redundant while on furlough or immediately after. There is no requirement to bring the employee back to work after the period of furlough. If an employee is made redundant during the period of furlough then grant payments will cease.
- However, in both cases normal redundancy rules and protections will apply.
- Where a business feels that redundancy is the only option, this must still follow the rules which include giving a notice period and consulting staff before a final decision is reached.
- More information on redundancy can be found at: <https://www.gov.uk/redundancy-your-rights>.

***Can I be furloughed for a short period of time, e.g. a week or a couple of days, and then re-employed?***

- A worker must be furloughed for a minimum of 3 weeks for their employer to be eligible to claim under this scheme.
- This is consistent with the public health guidance seeking to minimise the number of people outside of their homes on a regular basis. The scheme supports employers asking the maximum number of employees to remain at home during the coronavirus outbreak.
- A clear minimum period also aids a clear definition of who is and who is not furloughed.

***Can I volunteer or do training whilst furloughed?***

- If you are furloughed you cannot work for your employer during this period.
- You can volunteer or train, provided that this does not involve the manufacture or creation of an item or part thereof than can yield revenue for the company, the provisions of services to the company, or the provision of any service that can yield revenue for the company. Firms can require workers to undertake training from home, provided it meets the above.



**Dr Luke Evans MP | Member of Parliament for Bosworth**

House of Commons | London | SW1A 0AA

w: [drlukeevans.org.uk](http://drlukeevans.org.uk)

t: constituency: 01455 635741 parliament: 0207 219 4250 m: 07920 619812

twitter: @drlukeevans Instagram: drlukeevans

Dr Luke Evans MP collects and processes personal data in accordance with the General Data Protection Regulation and the Data Protection Act 2018. For further information about how we use your personal data and your individual rights in relation to this, please see our privacy notice at <https://www.drlukeevans.org.uk/privacy>

UK Parliament Disclaimer: this e-mail is confidential to the intended recipient. If you have received it in error, please notify the sender and delete it from your system. Any unauthorised use, disclosure, or copying is not permitted. This e-mail has been checked for viruses, but no liability is accepted for any damage caused by any virus transmitted by this e-mail. This e-mail address is not secure, is not encrypted and should not be used for sensitive data.