



Coronavirus Job Retention Scheme (CJRS)

How is it changing?

Factsheet

On Friday 29th May, the Chancellor, Rishi Sunak, announced some changes to the Job Retention Scheme over the next few months, to bring the scheme to a close at the end of October 2020.

The key points are:

- You will not be able to furlough an employee for the first time after **10th June 2020**, as the scheme will be closed to new entrants from 1st July. It is the 10th June because that is the minimum 3 weeks required for furloughing someone to receive the grant.
- **From July**, furloughed employees will be able to **return to work part-time** to allow the business to begin to resume working. Business will pay the worked hours, and the CJRS grant will be available for the furloughed hours.
- **From August**, the amount of **the grant will gradually reduce**, month on month until the scheme closes at the end of October.
 - **August** – the grant will cover 80% of wages up to the maximum of £2,500, and businesses will have to cover all the employer NI and employer pension contributions.
 - **September** – the grant will reduce to 70% of wages up to a maximum of £2,187.50, and the business will need to top-up the remaining 10% to ensure that the employee receives 80% of their wages. The businesses will still have to cover all the employer NI and employer pension contributions.
 - **October** – the grant will reduce to 60% of wages up to a maximum of £1,875, and the business will need to top-up the remaining 20% to ensure that the employee receives 80% of their wages. And the businesses will still cover all the employer NI and employer pension contributions.
- **After 31st October 2020**, the grants will no longer be available to cover employee wages. There will be a short period of time for claims for October to be completed, before the claims process will be closed.

The maximum of the grant will be reduced based on the ratio between the worked hours and the furloughed hours. For employees who work regular hours, this will be a straightforward calculation. For employees who work varying hours, we await further guidance from HMRC on how the ratio will be calculated.

There is a summary on the next page to show the split between grant and business costs month by month.

You can contact us on: 01604 678470 / 01933 312950





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Summary month by month

	CJRS Grant Covers	Business Costs
June	80% of wages (max £2,500) and associated: Employer NI; and Employer Pension contributions.	Any top-up above 80% (optional) Normal wages for holidays (required) No part-time working allowed
July	80% of wages (max £2,500 *) and associated: Employer NI; and Employer Pension contributions.	Any top-up above 80% (optional) Normal wages for holidays (required) Worked Hours and associated: Employer NI; and Employer Pension contributions.
August	80% of wages (max £2,500 *)	Any top-up above 80% (optional) Normal wages for holidays (required) Worked Hours All Employer NI All Employer Pension Contributions
September	70% of wages (max £2,187.50 *)	10% of wages to top up to 80% (required) Any top-up above 80% (optional) Normal wages for holidays (required) Worked Hours All Employer NI All Employer Pension Contributions
October	60% of wages (max £1,875 *)	20% of wages to top up to 80% (required) Any top-up above 80% (optional) Normal wages for holidays (required) Worked Hours All Employer NI All Employer Pension Contributions

* The maximum amount will be reduced based on the furloughed/worked hours ratio.

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