

COVID-19
coronavirus job retention scheme

Support through difficult times

Background

On Friday 20th March 2020, the Government introduced a new scheme that aims to keep people employed through the Coronavirus outbreak.

The government has announced that it intends for the Coronavirus Job Retention Scheme to run for at least three months, but they have said they will extend this if necessary.

The scheme is expected to be up and running by the end of April 2020.

What does the scheme do? How does it work?

The scheme enables employers to claim 80% of staff costs if they cannot cover them themselves due to the Coronavirus.

In order for employers to be able to access the scheme you must be officially furloughed, which means the following requirements must be met:

- You are enrolled for PAYE
- You are told that you will be kept on your employer's payroll
- You will not be undertaking any work for your employer, which means you cannot provide services or generate revenue for your organisation
- You must have been enrolled for PAYE on or before 28th February 2020 and have a UK bank account

This furlough process allows your employer to claim a grant of up to 80% of your wage for all employment costs, up to a cap of £2,500 per month.

If your employer is participating in the scheme, they are able to backdate your wages to 1st March.

During furlough you will remain employed. Your wage will also remain subject to the usual income tax and other deductions.

Your employer can choose to fund the remaining 20% of your salary but they are not required to under the scheme. If your salary is reduced as a result of this, it may mean you are eligible for additional support through the welfare system such as Universal Credit (you can apply by visiting www.gov.uk/browse/benefits).

Employees hired after 28th February are not covered by this scheme.

What do I need to do?

Nothing — it is your employers responsibility to contact HMRC through a new online portal the Government are setting up.

It is your employers responsibility to discuss any changes to your contract with you, and these changes must be made by agreement.

If you have already been laid off, your employer is able to rehire you and ensure you receive 80% of your wages backdated to 1st March. If you have been laid off, please contact your employer immediately to see if they are looking to access the scheme and whether this will enable you to receive 80% of your wages.

Do I have a choice in whether I'm furloughed?

Yes, your employer must discuss with you any changes to your employment contract. If your employer wants to make changes to your contract these must be made with agreement from you. It is your right to reject changes to your employment contract.

If you are concerned about any changes, or how to engage in the consultation process with your employer, please contact your union rep or the Service Centre on **0800 389 6332**.

How will my pay be calculated?

If you are full time or part time, the Government will pay 80% of your salary before tax as of 28th February. The scheme will not include fees, commission and bonuses.

What if I'm on a zero hours contract?

Even if you are on a zero or low hours contract but you currently earn more than £118 per week on average, you will be paying tax on your earnings and are on the PAYE system. This means you are eligible for the scheme.

If you have been on PAYE for an employer for a full twelve months, the employer will be able to claim for 80% of either of the higher of:

- **The same month's earnings from the previous year**
- **Average monthly earning from the from the 2019-2020 tax year**

If you have been on PAYE for an employer for less than a year, they will be able to claim for 80% of an average of your monthly earnings since you started work.

Can I earn less than the National Living/Minimum Wage through this scheme?

You are only entitled to the National Living/Minimum wage Wage if you are working. Therefore, when you are furloughed you will be paid 80% of your salary. Even if based on your usual working hours this means you would be earning less than the National Living/Minimum Wage.

What if I'm self-employed?

If you are self-employed you do not currently qualify for the scheme. However, on the 26th March the Government announced a comprehensive package for the self-employed (you can find out more about that package by visiting community-tu.org/advice-centre/coronavirus-self-employed-income-support-scheme).

It's important that you notify the Department for Work and Pensions of the change in your circumstances, and tell them that it is due to the impact of the Coronavirus. As long as you meet the relevant eligibility criteria you will be able to access Universal Credit (you can apply by visiting www.gov.uk/browse/benefits).

What if I'm on reduced hours or working for reduced pay?

This scheme is only accessible for those not working for their organisation who are furloughed. Community is working to lobby Government to provide support to employers who need to reduce hours and to those employees who are receiving reduced wages as a result of this crisis.

What if I'm sick?

If you are on sick leave or self-isolating you should receive sick pay. You can read our guidance on sick absence and sick pay by visiting community-tu.org/advice-centre/sick-absence-sick-pay-2. After this period has ended you can be placed on furlough.

If you are shielding in line with public health guidance you can also be placed on furlough. If you need to stay at home with someone who is shielding in line with public health guidance you can also be furloughed.

What if I have caring responsibilities?

If you are unable to work because you have caring responsibilities resulting from COVID-19, you can be furloughed. This includes if you need to look after children who can no longer attend school. No longer should any employer claim “uncertainty” or “lack of detail” for failing to take steps to protect employee’s jobs and the health of workers and those close to them.

What if I have more than one job?

If you have more than one eligible employer, you can be furloughed by each of them and the £2,500 cap will apply to each employer individually.

What if I’m an apprentice?

Apprentices are eligible for this scheme. As an apprentice, when you’re furloughed you can continue to train for your apprenticeship as long as this does not provide services or generate revenue for your employer. If you are required to complete training whilst furloughed, you must be paid at least the National Living/Minimum Wage for the time spent training, even if this means you’ll be paid more than the subsidy of 80% of your wages. In addition to this, training and assessments have been encouraged to take place remotely, and extensions should be granted, where appropriate, to the timetable for assessments.

Can my employer use the scheme as a form of short time working?

The government has now clarified that the minimum furlough period of three weeks means that workplaces can, if they are able to, run a job rotation scheme as a form of short time working. The key is that each worker is furloughed for that three week minimum.

What employment rights do I have whilst furloughed?

You have exactly the same rights as before. Including Statutory Sick Pay, maternity and parental rights, rights against unfair dismissal and redundancy payments.

What if I am on maternity leave, adoption pay, paternity pay or shared parental leave?

If you are eligible for Statutory Maternity Pay (SMP), or Maternity Allowance then the normal rules apply.

You will be entitled to claim up to 39 weeks of statutory pay or allowance (learn more by visiting www.gov.uk/maternity-pay-leave/pay).

If your organisation offers enhanced contractual pay to people on maternity leave, this is included in the wage costs and your employer will be able to claim this through the Job Retention Scheme. The same principles apply for contractual adoption pay, paternity pay and shared parental leave.

We are Community. The modern union for a changing world.
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