



### **Coronavirus Job Retention Scheme -update**

Government grants will cover 80% of the salary of PAYE employees who would otherwise have been laid off during this crisis. The scheme is open to all employers, will cover the cost of wages backdated to 1 March 2020 and will be open before the end of April. It will continue for at least three months and can include workers who were in employment on 28 February.

To claim under the scheme employers will need to:

- designate affected employees as 'furloughed workers' and notify employees of this change. Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation; and
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal. HMRC will set out further details on the information required.
- HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month per employee.

Employees cannot undertake work for their employer whilst furloughed but do remain employed. Employers can choose to fund the differences between the grant payment and the employees normal salary, but do not have to.

HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.