



BRIEFING NOTE UPDATE (7)

FURLOUGH SCHEME

The Government introduced the Coronavirus Job Retention Scheme ("CJRS") known as the Furlough Scheme with effect from 1 March 2020.

The Coronavirus Job Retention Scheme has been extended until 30 September 2021. From 1 July 2021, the government will pay 70% of wages up to a maximum cap of £2,187.50 for the hours the employee is on furlough.

Employers will top up employees' wages to make sure they receive 80% of wages (up to £2,500) in total for the hours the employee is on furlough. The caps are proportional to the hours not worked.

Claims for furlough days in June 2021 must be made by 14 July 2021.

From 1 July 2021, the level of grant will be reduced and employers will be asked to contribute towards the cost of their furloughed employees' wages. To be eligible for the grant an employer must continue to pay the furloughed employees 80% of their wages, up to a cap of £2,500 per month for the time they spend on furlough.

The table below shows the level of government contribution available in the coming months, the required employer contribution and the amount that the employee receives per month where the employee is furloughed 100% of the time.

Wage caps are proportional to the hours not worked.

	May	June	July	August	September
Government contribution: wages for hours not worked	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875	60% up to £1,875
Employer contribution: employer National Insurance contributions and pension contributions	Yes	Yes	Yes	Yes	Yes
Employer contribution: wages for hours not worked	No	No	10% up to £312.50	20% up to £625	20% up to £625
For hours not worked employee receives	80% up to £2,500 per month				

An employer can continue to choose to top up their employees' wages above the 80% total and £2,500 cap for the hours not worked at their own expense.

PLEASE NOTE THERE ARE LIKELY TO BE FURTHER UPDATES ISSUED AND THE GUIDANCE MAY CHANGE

**RMT LEGAL DEPARTMENT
30 JUNE 2021**