

Insights

CORONAVIRUS JOB RETENTION SCHEME - EXTENSION UNTIL 31 OCTOBER 2020

May 12, 2020

Since its inception, almost one million employers have applied to the Coronavirus Job Retention Scheme (“**CJRS**”) to help pay the wages of 7.5m jobs (almost a quarter of all employees in the UK). Although there is no doubt that the CJRS has been a great success in protecting jobs whilst businesses have been in hibernation, the cost to the UK taxpayer has been extraordinary – an estimated £49 billion up to 30 June 2020, according to the Office for Budget Responsibility.

The government will be hopeful that as lockdown is eased and employees who cannot work from home gradually return back to the workplace, reliance on the CJRS will decline. However, there are some sectors which will not be able to reopen until 4 July 2020 (at the earliest) and there will be some employers who will not be able to put in place a COVID-19 secure workplace. With that in mind, and with a collective redundancy consultation “cliff-edge” on 15 May 2020, the government has taken steps to extend the CJRS.

Today, the UK Chancellor of the Exchequer announced the following:

- the CJRS will be extended for a further four months, up to 31 October 2020;
- no changes will be made to the CJRS until the end of July 2020;
- with effect from 1 August 2020, part-time furloughing under the CJRS (which is currently prohibited) will be permitted;
- the existing government grant of 80% of wages (capped at £2,500 per month) will continue to remain in place; and
- employers will be required to share the cost of the government grant (although further detail may not be provided until later this month).

Those employers who continue to furlough employees under the CJRS following 30 June 2020 will need to consider what practical steps to take. In particular, if initial furlough letters had an end date, employers will need to consider communicating with their workforce in relation to this extension.

BCLP has assembled a COVID-19 Employment & Labor taskforce to assist clients with employment law issues across various jurisdictions. You can contact the taskforce at: COVID-19HRLabour&EmploymentIssues@bcplaw.com. You can also view other thought leadership, guidance, and helpful information on our dedicated [COVID-19 / Coronavirus resources page](#).

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