

Employer Guidance – Extended Flexible Furlough

The Government published updated guidance on 31 October 2020 detailing an extension to the Job Retention Scheme, more commonly known as the Furlough scheme, which was due to end on the 31 October 2020.

The extension to the scheme is currently set to last one month and the extended scheme has very similar terms to the previous flexible furlough processes. The key features are:

- The government will pay 80% of employees' wages up to a cap of £2,500 for November, with employers covering the cost of pension contributions and National Insurance;
- Employees don't need to have been furloughed previously to qualify for furlough in November;
- Employees need to be on their employer's payroll by 23:59 on 30 October 2020;
- Flexible furloughing is allowed as well as full-time furloughing;
- Employees have to be furloughed for a minimum of 7 consecutive calendar days;
- Employers can choose to top up wages for unworked hours beyond the 80% if they so wish.

Extended Flexible Furlough and the Job Support Scheme

The planned Job Support Scheme (JSS) which was due to commence in November has been postponed until after the end of the Furlough scheme.

The extended Furlough scheme is more generous than the JSS and places fewer financial costs on companies for non-worked hours. Within the Furlough scheme there is no minimum number of hours which must be worked, unlike the JSS which required a minimum number of contracted hours to be worked.

Next Steps for Employees

As the Job Support Scheme has been postponed, it is important that any employees who were placed on this scheme are issued with new documentation placing them either on flexible or full furlough leave. Companies still require employees' consent to place them on the extended Furlough scheme. As such, it is advisable to issue staff members with updated documentation for the extended Furlough scheme with the later end date. This documentation should confirm employees' agreement to be placed on the scheme.

Additional Information

It is expected there will be updated guidance on the new scheme issued shortly which will include more details on how to make a claim for the extended Furlough scheme. More information can be found here: <https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced>

If you have any questions on the changes to furloughing employees or alternative steps that you may need to consider as a business, please contact the Purpose HR team for support – info@purposehr.co.uk

02 November 2020

Please note that this guidance is subject to change and review as additional information is published by the Government and HMRC