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CORONAVIRUS JOB RETENTION SCHEME (CJRS)

From yesterday (1 July) **employers will have to pay at least 10% of staff wages to anyone on furlough** as the government reduces its level of support under the CJRS.

As confirmed in the Budget on 3 March 2021 the scheme will continue to run until the end of September 2021, but with a reduction in funding levels from today.

As of 1 July 2021 the Government's contribution under the scheme has reduced from 80% to 70% of furloughed employees' wages, up to a maximum of £2,187.50 per employee per month for their unworked hours.

Pay for furloughed employees must remain at a minimum of 80% meaning employers must contribute 10% to furloughed staff wages i.e. up to £312.50 per month.

Employers also have the option to top this up to 100% of wages.

From 1 August 2021 until the scheme ends, the Government's contribution will reduce to 60% of furloughed employees' wages for unworked hours, with a cap of £1,875 per month.

With the 80% rule still in place, employers will need to contribute 20% to

staff wages from August i.e. up to £625 per month.

Employers will also need to pay employer NICs and pension contributions for their employees on the full amount that they pay the employee.

The Team at Allens



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