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Job Retention Scheme (JRS) – New Rules from 1 July 2020

Since Friday's announcement regarding the extension of the scheme we have had a number of queries from clients about how this will work from July.

So far the only guidance we have is a [short fact sheet](#) and a brief summary that has been added to the main [JRS guidance](#) pages. We understand that HMRC is hoping to publish detailed guidance on the new rules on 12 June 2020.

In the meantime we thought it would be worthwhile covering the main points that we know already:

- It is important to see 30 June as the end of the JRS under the current rules i.e. there is effectively a new scheme beginning from 1 July.
- Employers will only be able to claim from 1 July if they have previously claimed under the current rules.
- Employers will have until 31 July to make any claims in respect of the period to 30 June.
- **The most critical point to note is that EMPLOYERS HAVE UNTIL 10 JUNE to furlough any staff previously not furloughed to be able to claim from July onwards i.e. no new employees can be furloughed for the first time from July. This is to ensure that the new employee has been furloughed for a full 3 week period prior to 30 June.**
- June and July – employers can still claim 80% gross wage up to £2,500 plus employer's NIC and 3% pension costs

plus employer's NIC and 5% pension costs.

- From 1 July 2020 – employers can bring furloughed staff back part time and decide the hours and shifts patterns. The employer has to pay the full cost of the hours worked but can claim a grant under the JRS for the time they are furloughed, calculated by reference to their usual hours worked in a claim period. Employers will need to report hours worked and the usual hours an employee would be expected to work in a claim period.
- From 1 August – employers can still claim 80% gross wage up to £2,500 but not employer's NIC or pension.
- From 1 September – employers can claim 70% gross wage up to £2,187.50 but not employer's NIC or pension. Employers will also have to contribute 10% of the furloughed pay.
- From 1 October – employers can claim 60% gross wage up to £1,875 but not employer's NIC or pension. Employers will also have to contribute 20% of the furloughed pay.
- 31 October – the scheme ends.
- Employees must always receive at least 80% of their furloughed time up to the end of October 2020.
- There will be a new maximum limit to the number of staff who can be included on a claim and this will be based on the maximum staff ever included in a single claim under the current scheme.

We will as ever keep you updated as events develop.

The Allens Team



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