



# A Guide to Furloughing & the Job Retention Scheme

[croner.co.uk](https://croner.co.uk)

 **Croner**  
HR • Tax • H&S • Reward

The new term everyone is talking about is 'Furlough'. This isn't a UK employment law term, but an American one. That's part of the reason there has been some confusion. Here, we break down some of the myths surrounding and furloughing and the job retention scheme.

## What is the Job Retention Scheme?

The JRS was announced by the Government as a way to help employers save money. The way this works is placing employees on furlough. This means putting an employee (or employees) on temporary without working. They will not receive pay during this time, but will stay on your books and be brought back in when they're needed.

The Government is offering a grant to cover 80% of furloughed employees' wages. Although it's important to note this only extends to a maximum of 2,500 per employee, per month.

## How do I access the grant?

We're still awaiting some guidance on this, but some details have been released.

Currently, no applications are required to access the scheme. But, the HMRC are setting up an online portal for reimbursement. You will, however, need to provide details of the employees you wish to furlough. This information includes:

- > **Employee earnings**
- > **NI number**
- > **Other information relevant to PAYE**

This information should be submitted to HMRC as soon as possible. More information on this is available via the [Government website](#).

## Do employees need to consent to be furloughed?

As you've likely guessed from the information you need to submit above—yes. The employee must be consulted and agree to be furloughed. Any change to an employee's status is subject to existing employment law.

If they refuse to be furloughed you have a couple of options. One is to lay them off with no pay. The second option is to make the employee redundant. If you do go down this route, make sure you give sufficient consultation time, and follow fair process.

## What's the process for selecting which employees to furlough?

First, you should fairly select employees affected for being furloughed. The process should be similar to a redundancy scenario. Ensure no discrimination or unfair treatment occurs during selection.

Then, decide whether to pay 80% of employees' salaries or supplement it.

Inform affected employees of your decision, including details of their expected pay during this period. Ask them for their written consent to furlough.

Once consent has been given, stop the employee from working. This includes working from home.

Stay in communication with employees being furloughed, and provide regular updates regarding the workplace.

## Can employees work while furloughed?

No. To qualify for the JRS, employees must not undertake any work for you while furloughed.

Are there any employees I can't furlough?

Technically, no. It's up to you who you furlough, so long as they are on the PAYE system.

This means some zero-hour contract or casual workers may not be eligible for furlough. This means the 80% grant won't cover their wages. If they are on the PAYE system, you'll need to benchmark their pay.

If you're unsure how to do this, speak to one of our experts on **0800 015 4937** or **contact us online** and arrange a call back.

## Do I have to pay the 80% wage guarantee back?

No, it is a grant which employers don't have to pay back. Currently, this scheme is set to run for three months, but may be extended depending on the situation.

The purpose of this is to save jobs and help businesses retain staff through the crisis.

## Do I have to make up the 20%?

That's up to you. There's no requirement to do so.

Whatever you decide, keep your employees informed of your decision. Agreeing to make up the 20% initially and then refusing to do so a couple of months later may result in the employee withdrawing their consent to furlough.

## Still have questions?

There are some questions surrounding this scheme still waiting for an answer. Until the Government provides additional information, we may not be able to answer these. For everything else, you can call a Croner expert on **0800 015 4937**.

## 27th March Updates

On the 27th March, the Government provided further guidance on the scheme. The main points of this update include the following:

### Who can use the scheme?

So long as you're a UK employer with a UK bank account, you'll be able to utilise the scheme. This means you can claim in relation to an employee on your PAYE payroll from 28th February 2020.

### Can I furlough employees who aren't working full time?

Yes, as long as they're on PAYE. That includes part-time, agency, zero hours, and variable hour employees.

### What's the minimum I have to pay employees?

At least 80% of the regular wage, or £2,500 per month. It's up to you if you want to make up the 20% or pay any more.

### Can I furlough employees self-isolating or on sick leave?

Only once they're no longer sick or self-isolating. Once they're back to work, follow the same process as usual.

### How long can I furlough employees for?

Currently, between 3 weeks and 3 months, but this may be extended. This suggests you can rotate people, bringing them off furlough and back to work before furloughing again. If you wish to do this, get employees' consent in writing.

### What if I'm self-employed?

There's now guidance for self-employed individuals. A grant will be given worth 80% of average monthly profits over the last 3 years, up to £2,500 per month. The grant is open to those with trading profits up to £50,000 and anyone with a tax return for 2019 (or who files it in the next four weeks). HMRC will contact self-employed individuals directly. Once they do, they'll ask you to fill out an online form and the grant will be sent to your bank account.

## Let's talk

**PHONE** 0800 015 4937  
**ONLINE** [croner.co.uk](https://www.croner.co.uk)

Croner Group Limited registered  
in England & Wales,  
No. 8654528.  
Registered Office:  
Croner House,  
Wheatfield Way,  
Hinckley, LE10 1YG.

Croner Group Limited is authorised and  
regulated by the Financial Conduct Authority.

## What We Do



**HR & Employment Law**  
Advice & Consultancy  
HR Software  
Contracts & Documentation



**Health & Safety**  
Advice & Consultancy  
Health & Safety Software  
Documentation, Policies & Handbooks



**Pay & Reward**  
Salary Benchmarking  
Reward Consultancy  
Job Evaluation Tool



**Croner**  
HR • Tax • H&S • Reward

