



Extension to the Coronavirus Job Retention Scheme

Earlier this week, the Chancellor announced the following regarding the Coronavirus Job Retention Scheme (Scheme):

- the Scheme will be extended for a further four months, up to 31 October 2020;
- no changes will be made to the Scheme until the end of July 2020;
- with effect from 1 August 2020, part-time furloughing under the Scheme (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, at some point in future, be required to share the cost of the government grant, details of which will be outlined later this month.

Since its inception, almost one million employers have applied to the Scheme 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 Scheme has been a great success in protecting jobs whilst businesses have been in hibernation, the cost to the UK taxpayer has been extraordinary and so the government will be hopeful that as lockdown is eased, reliance on the Scheme will decline.

Notwithstanding the long term economic impact, an extension to the Scheme is very much welcomed and will provide much-needed breathing space for large numbers of employers. Employers who have furloughed staff with an 'end date' of 30 June 2020, should consider issuing a revised set of communications in relation to the extension.

We await details of how the part-time furlough arrangement is intended to work, and indeed, how workable it will be in practice, but until then the Scheme is unchanged. For further details of the current Scheme and how it operates in practice, please refer to our comprehensive note [here](#) or contact **Tiggy** (07943 842404) **Emma** (07912 395695).