



Starting the return to work

Furlough and SSP update issued on 29 May 2020

The Chancellor, (aka Dishy Rishi in our house), has announced the long trailed changes to the furlough scheme. They would seem to be better and more helpful than expected.

There are 2 key strands:

- People can remain furloughed, with small employer contributions, until the end of October. The monthly cap of £2500 is unchanged.
- People can return to work part time, with continued furlough support, from 1 July

VERY IMPORTANT

To take advantage of the furlough scheme at all, an Employee **MUST** have already been furloughed for at least 3 weeks prior to 31 June. This means that if you have not yet furloughed an employee the latest date that you could furlough someone, for the first time, is the 10 June.

You can still claim again, if necessary, as long as they have been furloughed at some point from the start of the scheme.

You cannot furlough any new starters who have joined you since the scheme started.

The clear indication is that there will be no further extension of the scheme.

Remaining furloughed

In July there is no change to the scheme. Employees can remain furloughed and Employers can reclaim 80% of wages plus NI and pension contributions.

From 1 August, Employers can claim 80% of wages but can no longer claim NI or pension contributions.

From 1 September, Employers can claim 70% of wages but not NI or pension. Employers **must** make wages up to 80%. The cap becomes £2190.00

From 1 October, Employers can claim 60% of wages but not NI or pension. Employers **must** make wages up to 80%. The cap becomes £1875.00

Don't forget to consider asking staff to take annual leave during this period to make best use of the furlough subsidy to the cost. Don't forget to pay staff full wages for the bank holidays if you are expecting them to take leave on these days.

Returning to work part time

This part of the scheme starts on 1 July. Employees can return to work for any amount of hours and this can vary week by week. The remaining time is covered by the furlough scheme.

The Employer must pay 100% normal wages for the hours that the employee works and claim the furlough payment as above for the remaining hours, depending on which month we are in.

Example

If an employee normally works 35 hours a week for £350, if you employ them for 15 hours
15 hours – paid at normal salary = £150

20 hours on furlough.

In July claim at 80% = £160 (20hrs x £10 x 80%)

Employee earns £310 a week

In August claim at 70%, but continue to make the wages up to 80%. So the wage becomes £170 and the furlough claim becomes £140, Employee earns £310.

You must confirm in writing to employees what you are doing. There is no need for “agreement” as such because they have already agreed to be furloughed and you are not paying them any less than the furlough scheme allows. However, good practise, of course, is to talk to staff and explain what is happening, and what your expectations are, and to deal with all the health and safety issues and work practise changes.

Do not underestimate the various reactions you will get from staff about returning. Those that are appearing to be keen and eager may be more dangerous to your other employees than the nervous ones. You really need everyone focussed, dare I say alert, to the requirements of safe working practises. There will be ongoing shielding employees and childcare issues to deal with as well.

Further guidance

We are promised further guidance on the furlough scheme by the 12 June.

Needless to say, keep rally good records of the hours people are working and the calculation of the claim you are making

Statutory Sick Pay

Employers can reclaim 2 weeks SSP for anyone who is required to self isolate following a notification from the track and trace scheme. This can only be claimed once for each employee.

There is no further guidance yet about the very vulnerable group of people who are asked to “shield”. The current 12 week isolation for this people runs to 12 June so we may get further

guidance in due course. My expectation is that employers will have to start meeting the furlough costs as for other employees.

And finally

Like everyone else, I have lost business during this crisis. Please, if you can, recommend me to anyone that may want HR services going forward. If you are able to put a recommendation on Linked in that would also be much appreciated.

Special thank you to those that have already done so.

For further advice or information please contact Katie Thorpe and I will do my best to help. If you no longer wish to receive these updates please let me know.

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