

Furlough, tapering the CJRS, and next steps

Despite the gradual (and at times reversing) release from lockdown as the summer progresses, many businesses remain in uncertain positions, with inevitable difficulties regarding cashflow and, perhaps, their ability to retain staff.

The Government's Coronavirus Job Retention Scheme ("CJRS") has helped many businesses to retain staff and reduce costs during the past few months; however, the financial assistance provided by the CJRS began to taper back from 1 August 2020 and will do so further on 1 September and again on 1 October, as the Government continues to reduce its contributions under the CJRS until the scheme ends on 31 October 2020 (as things stand):

Date change implemented	Government contribution under JRS	Employer contribution	Flexible furlough permitted?
1 August 2020	80% of wages up to a cap of £2,500	Employer's National Insurance and employer's minimum automatic enrolment pension contributions (plus salary top-up where agreed)	Yes
1 September 2020	70% of wages up to a cap of £2,187.50	Employer National Insurance and employer's minimum automatic enrolment pension contributions <u>and</u> 10% of wages to make up 80% total up to a cap of £2,500 (or greater top-up where agreed)	Yes
1 October 2020	60% of wages up to a cap of £1,875	Employer National Insurance and employer's minimum automatic enrolment pension contributions <u>and</u> 20% of wages to make up 80% total up to a cap of £2,500 (or greater top-up where agreed)	Yes

All businesses currently taking advantage of the CJRS (or who plan to put staff back on furlough) will need to account for the upcoming impacts upon their budget. It is possible that the increased strain on the business's finances may require a range of cost-saving measures to ensure the minimum impact upon its workforce; however, it is very important to fully plan ahead before implementing changes that may be detrimental to staff, to reduce the risks of encountering costly, time-consuming legal issues down the line.

If you have any questions or concerns regarding these matters, please feel free to get in touch with our employment law specialist at Onside Law, [Alex Brooks](#).

This note has been prepared on 17 August 2020. Given the live and rapidly evolving nature of events, we will provide further updates in due course.