

Furlough Extended to end April 2021

As the Coronavirus pandemic continues to affect all areas of the UK as well as globally, the government announced on 17th December 2020 that the Coronavirus Job Retention Scheme (CJRS) will now be extended from 31st March 2021 to Friday 30th April 2021 with the government continuing to contribute 80% towards wages – giving businesses and employees across the UK certainty into the new year.

This move further allows all UK employers with employees on a PAYE scheme to designate some or all of their employees as ‘furloughed workers’. This means that employers can access the government support to continue paying part of these furloughed employees’ salaries and potentially protect the employees from redundancy.

In a move to ensure firms can access the support they need through continuing economic disruption, Rishi Sunak also confirmed he would be extending the government-guaranteed Covid-19 business loan schemes until the end of March.

These changes come ahead of the budget, which the Chancellor has confirmed will take place on 3 March 2021. This will deliver the next phase of the plan to tackle the virus and protect jobs, so the extensions to the business loan and furlough schemes enable businesses to plan with certainty and access support in the first few months of the new year ahead of the further update on wider Covid-19 economic support.

The government will continue to pay 80% of the salary of employees for hours not worked until the end of April. Employers will only be required to pay wages, National Insurance Contributions (NICs) and pensions for hours worked; and NICs and pensions for hours not worked. Extending the scheme until the end of April means businesses across the country will have certainty about what support will be available to them.

The government has already announced that more support will be available beyond March, through a successor loan scheme. More details of the scheme will be announced in due course, with the government providing a further update on wider Covid-19 economic support at the budget on 3 March 2021.

If we can help you with this or any other HR issue, please do not hesitate to contact a member of our HR team at HR Services Scotland Ltd on 0800 652 2610