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ALL MEMBERS MEMORANDUM No 149-20

UK CORONAVIRUS JOB RETENTION SCHEME UPDATE AND RETURNING TO WORK

The Coronavirus Job Retention Scheme (CJRS), originally scheduled to finish at the end of June, has now been extended until the end of October 2020 to run in several phases.

From now until 31 July, businesses will continue to receive 80% of the current salary of furloughed employees up to the cap of £2,500, so long as employees do not undertake any work for their employer.

From 1 July 2020, businesses will be given the flexibility to bring furloughed employees back part time. This is a month earlier than previously announced. Individual firms will decide the hours and shift patterns their employees will work on their return, so that they can decide on the best approach for them - and will be responsible for paying their wages while in work.

From August 2020, the level of government grant provided through the job retention scheme will be slowly tapered to reflect that people will be returning to work. That means that for June and July the government will continue to pay 80% of people's salaries. In the following months, businesses will be asked to contribute a modest share, but crucially individuals should continue to receive that 80% of salary covering the time they are unable to work.

The scheme updates mean that the following will apply for the period people are furloughed:

- June and July: The government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance (ER NICs) and pension contributions. Employers are not required to pay anything.
- August: The government will pay 80% of wages up to a cap of £2,500. Employers will pay ER NICs and pension contributions – for the average claim, this represents 5% of the gross employment costs the employer would have incurred had the employee not been furloughed.
- September: The government will pay 70% of wages up to a cap of £2,187.50. Employers will pay ER NICs and pension contributions and 10% of wages to make up 80% total up to a cap of £2,500. For the average claim, this represents 14% of the gross employment costs the employer would have incurred had the employee not been furloughed.

- October: The government will pay 60% of wages up to a cap of £1,875. Employers will pay ER NICs and pension contributions and 20% of wages to make up 80% total up to a cap of £2,500. For the average claim, this represents 23% of the gross employment costs the employer would have incurred had the employee not been furloughed.

Once the CJRS comes to an end you will need to decide, depending on your circumstances, as to whether your workers can return to their jobs. If your business has been severely affected by the impact of coronavirus, it may be necessary to consider redundancies.

Each period of furlough can be extended by any amount of time whilst the worker is on furlough, although the CJRS end date is the last day that can be claimed for. This means that whilst you are not necessarily obliged to take workers off furlough, further agreement may need to be reached with your staff as to how any further leave of absence will work and what they will be paid.

It is a condition of the scheme that any worker for whom you are making a claim must not be undertaking any work for you, or any connected organisation, during the furlough period.

WHEN CAN FURLOUGH BE BROUGHT TO AN END?

When deciding to take workers off furlough and asking them to return to work, consider:

Is it recommended? In England, most construction sites are now open, but the situation is very different elsewhere. You should only consider bringing furlough to an end for certain groups of workers in accordance with the any additional rules for phased opening set out by the devolved administrations.

Is it sufficiently safe?

You have a duty of care to ensure the health, safety, and wellbeing of your workers. This includes identifying and managing any risks to ensure that the workplace is safe for your workers to return to. By implementing a gradual return, this will enable you to test any measures in practice, ensuring these will work as the numbers of returning workers gradually increase.

Is it effectively communicated?

You must clearly communicate your intentions to unfurlough workers as soon as is reasonably practicable, consulting with them where possible, even where there is prior written agreement for immediate recall. This will allow you to address any workers concerns and accommodate any needs, being flexible wherever possible by way of additional time off work or the use of alternative working arrangements.

Employers should remember that currently, the CJRS will be coming to an end on Saturday 31 October, with the level of financial support expected to be reduced as set out above. By this point, employers will have to have made a decision on their furloughed workforce.

All memos and information from the BCSA regarding COVID-19 can be viewed at www.steelconstruction.org/covid19

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