

How is furlough changing?

Coronavirus Job Retention Scheme (CJRS) which has supported 11.6 million jobs according to the government, is changing once again from **1 August 2021**, and due to close at the end **September 2021**.

According to figures up to 31 May 2021 (Source: <https://www.bbc.co.uk/news/explainers-52135342>):

- About 2.4 million were on furlough (down from a peak of 5.1m in January)
- About 30% of employers had staff on furlough, down from 35% at the end of April.
- There are now more men on furlough than women (1.2m men versus 1.13m women)
- The food and drink sector saw the biggest reduction in the number of jobs on furlough in May (down 313,000)
- Air travel and tourism jobs saw the highest rate of jobs being put on furlough in May.
- From March 2020 to the end of September 2021, the cost of furlough will come to about £66bn, according to estimates from the Office for Budget Responsibility.

At the start of the pandemic, it was feared that more than one in 10 workers would become unemployed, instead the unemployment rate is currently less than one in 20.

From 1 August 2021, employees on furlough leave will continue to receive up to 80% of their pay for hours not worked, but the level of employer grant will reduce to 60% from the government, **meaning employers will have to pay 20% for hours not worked, plus the associated employer NIC and pension.**

Employers will continue to be required to pay for Employers NIC and Pension contributions for hours not worked, and wages, NIC and pension for hours worked.

Month	Paid to Employee - Salary for Hours Not Worked	Grant available to Employer - Salary for Hours Not Worked		Employer Pension Contributions	Employer National Insurance Contributions
June 2021	80% up to £2,500 cap	80% up to £2,500 cap		Employer pays	Employer pays
July 2021	80% up to £2,500 cap	70% up to £2,187.50 cap	Employer pays 10%	Employer pays	Employer pays
August 2021	80% up to £2,500 cap	60% up to £1,875 cap	Employer pays 20%	Employer pays	Employer pays
September 2021	80% up to £2,500 cap	60% up to £1,875 cap	Employer pays 20%	Employer pays	Employer pays

CJRS Claims

As you may be aware, all businesses claiming under the CJRS are now being listed on the Government website from December 2020.

<https://www.gov.uk/government/publications/employers-who-have-claimed-through-the-coronavirus-job-retention-scheme>

Under the scheme you should only claim if you have:

- Written agreed confirmation with your staff that they have been furloughed. This must be retained for 6 years along with details of dates, hours worked (if flexibly furloughed) claim references, and calculations.
- Whilst on furlough your employee cannot make money or provide services to your organisation in any capacity.
- You must pay the full amount you are claiming for your employee's wages to your employee.
- You must pay all HMRC liabilities and pension contributions in relation to furloughed employees.

It is your responsibility to ensure you are using the CJRS within the guidelines. If you are unsure or wish to check your position, then please do not hesitate to contact your payroll contact or engagement Partner who will be happy to help.

CJRS Future Deadlines

We remind you of the future CJRS claim deadlines as follows:

Claim for Furlough Days in	Claim must be submitted by
June 2021	14 July 2021
July 2021	16 August 2021
August 2021	14 September 2021
September 2021	14 October 2021

To amend a claim for:	You must inform BH By:	Amended claim submission deadline:
May 2021	24 June 2021	28 June 2021
June 2021	23 July 2021	28 July 2021
July 2021	24 August 2021	31 August 2021
August 2021	24 September 2021	28 September 2021
September 2021	25 October 2021	28 October 2021

Paying Coronavirus Job Retention Scheme grants back

If you've claimed too much through the Coronavirus Job Retention Scheme, or you'd like to make a voluntary repayment because you do not want or need the grant you can either:

- correct it in your next claim (your new claim will be reduced, and you'll need to keep a record of the adjustment for 6 years)
- get a payment reference number and pay HMRC back within 30 days (only if you're not making another claim)

If you've overclaimed a grant and have not repaid it, you must notify HMRC by the latest of (one of the following):

- 90 days after the date you received the grant you were not entitled to
- 90 days after the date you received the grant that you were no longer entitled to keep because your circumstances changed
- 20 October 2020

If you do not do this, you may have to pay a penalty. HMRC will not be actively looking for innocent errors in their compliance approach.

Further information can be found:

[Steps to take before calculating your claim using the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](#)

[Claim for wages through the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](#)

[Pay Coronavirus Job Retention Scheme grants back - GOV.UK \(www.gov.uk\)](#)

Contact us

Should you have any queries then please contact us:

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