The COVID-19 Job Retention Scheme from 1 July 2020 onwards – a guide for employers

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This is BDBF's guide to how the second phase of the COVID-19

Job Retention Scheme (Scheme) will operate between 1 July 2020 and 31 October 2020. This guide was last updated on 3 August 2020.

Please click on the information below to download the PDF:

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BDBF is currently advising many employers and employees on the challenges presented by the coronavirus. If you or your business needs advice on furlough or other coronavirus-related matter please contact Amanda Steadman (amandasteadman@bdbf.co.uk) or your usual BDBF contact.

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The COVID-19 Job Retention Scheme from 1 July 2020 onwards – a guide for employers

This is BDBF's guide to how the second phase of the COVID-19 Job Retention Scheme (Scheme) will operate between 1 July 2020 and 31 October 2020. This guide was last updated on 3 August 2020.

A. BACKGROUND:

What is the Scheme and how long will it be available?

The coronavirus pandemic has had a drastic impact on businesses across many sectors, causing closures, lost custom, lower revenue and cash flow problems. The Scheme has been introduced to encourage employers to retain their workforce throughout this difficult time.

Under the Scheme, the Government will contribute towards the wage costs of employees who are placed on temporary leave by their employer. This type of leave is known as "furlough". Initially, the Scheme was intended to run for a three-month period between 1 March 2020 and 31 May 2020. On 12 May 2020, it was announced that the Scheme would be extended to 31 October 2020, although the operation of the Scheme would change from 1 July 2020 (see section B below). **This guide covers how the Scheme operates between 1 July 2020 and 31 October 2020**. You can view our previous guide on how the Scheme operated between 1 March 2020 and 30 June 2020 here. The Scheme will close on 31 October 2020.

The Scheme covers employees and those with other employment statuses. For ease of reference, in this guide the term "employees" is used to cover all eligible individuals. We highlight any special rules applying to those with particular employment statuses

What is the legal framework of the Scheme?

The legal framework of the Scheme is set out in a Treasury Direction (3rd version dated 25 June 2020) (**Third Direction**), which governs claims submitted between 1 July 2020 and 31 October 2020. The first Treasury Direction dated 15 April 2020 (**First Direction**) governed claimed submitted between 1 March 2020 and 21 May 2020. The second Treasury Direction (**Second Direction**) governed claims submitted between 22 May 2020 (or earlier if compliant with its rules) and 30 June 2020.

The Third Direction is supplemented by eleven pieces of non-binding HMRC guidance (together, the **Guidance**):

	Guidance	What does it cover?
1.	Check if you can claim for your employees' wages (18th version dated 3 August 2020).	1. Who can claim? 2. Employees you can claim for. 3. Agreeing to furlough employees. 4. When your employees are on furlough. 5. Before you claim. 6. Contacting HMRC.
2.	Check which employees you can put on furlough (11th version dated 3 August 2020).	1. Check how different employment conditions affect eligibility. 2. If your employee has more than one job or other duties. 3. If you've made your employees redundant.

The information in this document is intended for reference purposes only and does not constitute legal advice.
We recommend that specific legal advice is sought before taking any action in connection with the subject matter of this document.