



## Wind down of furlough scheme announced

**In a government briefing on 29 May, Chancellor Rishi Sunak confirmed that the Job Retention Scheme is to slowly wind down to a final closure at the end of October. We explore changes to be aware of below:**

- The current Job Retention Scheme will close to new entrants from 30 June 2020. Employers have until 10 June 2020 to furlough staff for the first time under the current scheme.
- From 1 July 2020, furloughed staff can be brought back on a part-time basis, with the hours worked funded by the employer.
- In June and July, the government will pay 80% of wages up to £2,500, as well as employer National Insurance Contributions (NIC) and pension contributions for the hours the employee doesn't work.
- In August, the government will pay 80% of wages up to £2,500 and employers will pay employer NICs and pension contributions for the hours the employee does not work.
- In September, the government will pay 70% of wages, up to a cap of £2,187.50, for the hours the employee does not work.
- Employers will pay employer NICs and pension contributions, as well as 10% of wages to make up the 80% total, up to a cap of £2,500.
- In October, the government will pay 60% of wages up to a cap of £1,875 for the hours the employee does not work.
- Employers will also pay employer NICs and pension contributions, as well as 20% of wages to make up the 80% total, up to a cap of £2,500.

### COVID-19 contact tracing systems now live

England's Test and Trace system, through which contact tracers can track down individuals who have been in close contact with confirmed cases of COVID-19, was launched on 28 May 2020. Anyone contacted needs to self-isolate for 14 days. Similar systems are live in Scotland and Northern Ireland, and are due in Wales.

#### Did you know?

Anyone who is asked to self-isolate by the government should receive Statutory Sick Pay (SSP) if eligible, from day one of their absence, if they are unable to work from home. Smaller employers can reclaim capped SSP costs associated with the coronavirus, for eligible employees, through use of the SSP Rebate Scheme.

### Increase in flexible working demand

Research conducted by the Gender and Behavioural Insights programme, showed a 30% increase in applications to businesses offering flexible working. Favoured were part-time work and flexibility in starting and finishing times. It is estimated that some 174,000 flexible jobs are likely to be added to the UK economy in one year.

#### Did you know?

Despite low numbers prior to coronavirus, UK employees who meet the requirement of 26 weeks' continuous service, have had the right to request flexible working options since 30 June 2014. Employers are legally obliged to consider these requests in a 'reasonable manner', and may only refuse if sound business reasons apply.

### Foreign worker unable to rely on British law

The Employment Appeal Tribunal has ruled that the Great Britain (GB) tribunal did not have jurisdiction to hear claims from a worker based in the British Embassy in Cairo. This was primarily because the claimant was locally sourced, worked predominantly in Egypt and was contracted under Egyptian law.

#### Did you know?

In situations where staff work overseas for a GB organisation, several aspects of the arrangement are considered in the determination of whether they are able to make a claim under GB law. However, GB tribunals may hear claims if their employment is 'sufficiently connected' to GB.

Further details on the new flexible furlough scheme are due on 12 June. Our 24-hour Advisory Service will be on hand to provide up-to-date guidance on making use of the scheme and, specifically, what employers will need to do to benefit from this.

Please contact the 24 Hour Advice Service for advice on your specific situation before acting on the information in this publication.