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3CS Newsflash

Employment

Furlough scheme extended to end of March 2021

In the third major policy change since the Winter Economy Plan was announced on 24 September, the government has further extended the Coronavirus Job Retention Scheme to 31 March 2021. In our recent newsletter (available [here](#)), we set out details about the furlough scheme extension that was initially announced on 31 October.

Today's further extension means that the furlough scheme will now continue until the end of March 2021. To recap, the current scheme provides that:

- the government will pay 80% of wages up to a cap of £2,500 for hours not worked by the employee
- the employer will pay employer National Insurance Contributions (NICs) and pension contributions for the hours the employee does not work, and make the usual deductions for any hours the employee works if flexible furlough applies
- employers can enter into flexible furlough arrangements (the monthly furlough wage cap is reduced in proportion to hours actually worked)
- employees must have been on an employer's PAYE payroll by 23:59 on 30th October 2020
- anyone that was made redundant after 23 September can be re-employed and brought back on to the scheme

Further guidance on the fine detail of the scheme is expected next week. A review of the scheme is also expected in January and will consider whether employers should contribute more to employees' wages.

The Chancellor has also announced more support for the self-employed, with the next income support grant for November to January increasing to 80% of average profits up to £7,500.

Our Employment Team is ready to advise your business in these challenging times. Please get in touch with your usual 3CS contact.

Jasmine Chadha
Solicitor/Associate/Employment

E: jasmine.chadha@3cslondon.com



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