

From the Coronavirus Support Hub:

Govt announces update to CJRS: What's changing for businesses?

Businesses up and down the country have received additional clarity on one of the government's flagship initiatives aimed at helping companies to weather the storm created by the coronavirus pandemic, with an extension to the **Coronavirus Jobs Retention Scheme (CJRS)**.

Announced in late March, CJRS has been a lifeline to millions of people by ensuring businesses are able to continue paying their staff a significant proportion of their wages, even if there was no work for them to do during the pandemic.

Having proven highly popular among businesses, with more than **8.4 million people** placed on furlough by the end of May, the government has now provided reassurance to employers around the next phase of the scheme. It was originally planned to run until the end of June, but has now been extended until the **end of October**.

What's changing with CJRS?

In the first phase of the scheme (CJRS V1), the government offered to pay **80% of wages up to a limit of £2,500 per month** for all workers that businesses felt were at a risk of redundancy due to the impact of enforced sector closures and a general reduction in business activities due to coronavirus. The employer was also exempt from paying NI and pension contributions for staff on furlough during this period.

Individuals furloughed under CJRS V1 have **not been able to carry out work** for their employer. However, in the second phase (CJRS V2), the government plans to gradually **shift the focus** of the initiative from supporting all employers with their staffing costs - in order to help to protect as many jobs as possible - to **encouraging businesses to bring staff back into work** as lockdown measures are eased across the country.

As part of these efforts, a new **flexible furlough** will be offered to businesses, enabling them to bring staff back off furlough for specific days (paid for solely by the business) during their furlough period. Further details on this element of CJRS V2 are to be released by mid-June.

The dates from when these changes will come into force are:

- ***CJRS V1 will run up to 30th June***
- ***CJRS V2 will commence on 1st July and run until 31st October***

How to access CJRS V2

Importantly, employers will only be able to access CJRS V2 if they have **already made a claim** under CJRS V1. Moreover, **no new additions** will be allowed, meaning only staff that have been previously furloughed will be eligible for ongoing government support.

Given the minimum length of a furlough period (3 weeks), this means employers who have not yet made a claim under CJRS V1 **must furlough staff by 10th June** at the latest if they wish to make furlough claims beyond 30th June.

Full details on how to access CJRS and the information employers must provide in order to furlough staff and make a claim are available via the [gov.uk website](https://www.gov.uk).

Key dates and changes

1st July

- CJRS V2 begins
- Employers can only access funding for **employees who have previously been included** in a CJRS V1 claim
- Introduction of a **limit to the number of staff that can be included** in a claim based on the maximum number of staff included in a claim between March and June
- Previously furloughed employees can be **furloughed on a part-time basis**

1st August

- The **cost of employer NI and pension contributions** will no longer be covered by the scheme

1st September

- CJRS will pay **70% of wages** while employers take on the other **10%**

1st October

- CJRS will pay **60% of wages** while employers take on the other **20%**

31st October

- CJRS V2 ends

Useful resources:

- [Gov.uk: Guidance: Claim for wages through the Coronavirus Job Retention Scheme](#)
- [Gov.uk: Coronavirus Job Retention Scheme: step by step guide for employers](#)
- [Gov.uk: Coronavirus Business Support](#) - information around all government support for businesses during the pandemic