



Furlough extended until March 2021 as England re-enters lockdown

By **Ben Smith** - 5 November 2020

On 5 November the UK government announced that the furlough scheme would be extended until March 2021 due to England entering a period of lockdown from 5 November to 2 December, with many businesses required to close. The furlough extension applies to the whole of the UK, notwithstanding that only England is entering lockdown on 5 November (Wales, Scotland, and Northern Ireland all have slightly different restrictions currently).

The UK Government also announced that the **Job Retention Bonus** would be axed as the CJRS will continue to keep people in employment until March 2021.

The furlough scheme was planned to end on 31 October 2020, with the new Job Support Scheme (JSS) taking its place from 1 November until April 2021. However, the JSS has now been delayed until the furlough extension ends.

In October, the furlough scheme covered only 60% of wages (capped at £1,875 monthly), with employers required to contribute 20% of wages (up to £625 per month). However, the furlough extension changes this so that 80% of wages (capped at £2,500 monthly) are covered by the scheme, reverting to the position from August. Employers will need to pay National Insurance Contributions and pension contributions.

Employers will still be able to flexibly furlough employees – moving them to part time working, with the government contributing towards wages for unworked 'furloughed' hours.

Under the furlough extension, eligibility has been expanded so that any employee who was on PAYE payroll before 23:59 on 30 October 2020 will be eligible. There appears to be no requirement that an employee was previously furloughed between March and October.

Given the sudden change from the JSS and the re-introduction of lockdown in England on 5 November, employers should contact any affected employees as soon as possible to notify them that furlough will continue and the JSS has been delayed. Employers should seek employee's agreement to furlough/flexible furlough.

For more information see our updated Furlough FAQs [here](#).