



Final Furlough FAQs

By **Raoul Parekh** - 28 August 2020

As the summer draws to an end, the end of the UK's Coronavirus Job Retention Scheme (a.k.a. the "furlough scheme") is also in sight. Since 10 June 2020, the scheme has been closed to new entrants, and it is currently due to wind down entirely on 31 October 2020. August saw employers having to share costs with government by meeting the national insurance and pension contributions of furloughed workers. From September, they must further contribute 10% of wages, rising to 20% from October.

Even with these amendments, though, the UK furlough scheme was generous by international standards, and immensely popular: 8.4 million employees had been furloughed by the end of May. There is widespread concern that the end of the scheme will prompt dismissals in sectors still struggling to recover from the impact of the shutdown, and some early signs of this have already emerged.

So what issues should you be aware of in this twilight period?

Q1. Can I furlough staff now, or is it too late?

No, it is now too late. Employers cannot furlough new staff at this point.

Q2. Business levels are lower than normal, so I don't need to bring all my staff back. Can I furlough employees part-time during the final two months?

Yes. Since 1 July 2020, "flexible furlough" has permitted employers to bring back already furloughed staff part-time. See our [FAQs](#) from Q1 for more details.

Q3. We have accidentally made a claim for an employee who wasn't furloughed, but instead kept working throughout.



What should we do?

You should inform HMRC of the error as soon as possible. A new self-policing mechanism was introduced on 12 June, allowing employers to declare that they had made an error in a previous claim. If the error resulted in the employer overclaiming, this should be declared and the new claim will be reduced to account for the overpayment.

There are significant penalties for abuse of the scheme, so errors should be declared and remedied as soon as possible.

Q4. We no longer require our furloughed staff and would like to dismiss them. How should we do this?

You can begin consulting with staff while they remain on furlough, and we would usually recommend this approach. However, you will also need to plan for several potential issues in this area:

- Application of collective consultation obligations (take a look at our [five minute guide](#)).
- Selection of employees across furloughed and un-furloughed staff.
- Liability for notice pay during / after furlough.

...and many others. Your usual [GQ|Littler contact](#) can assist you with this process if required, including providing template documents and providing strategic advice.

Q5. What incentive is there to retain staff after the end of the furlough scheme?

On 8 July 2020, the UK Government announced a new measure to encourage employment after the furlough scheme ends. Under this new scheme, the Government will pay employers a £1,000 bonus for each employee who has been placed on furlough who they retain in employment until the end of January 2021. The employee must earn at least £250 each month from 1 November 2020 to 31 January 2021 for the employer to be eligible to receive the bonus.

We are still awaiting full details of the scheme.

Q6. Will the UK government extend the furlough scheme again?

At the moment, this looks unlikely. When announcing the most recent extension, the Chancellor of the Exchequer, Rishi Sunak, was clear that no further extensions would be forthcoming. Since then, the UK Government's focus has been on encouraging a return to something closer to economic normality rather than further support.

However, other European countries have recently announced extensions to their equivalent support schemes in light of the economic impact of the coronavirus crisis, so it is possible that this will also happen in the UK.

If you have any questions regarding the furlough scheme please get in touch with your usual GQ|Littler contact or email info@gqlittler.com.