



## UK's Paid Furlough Scheme Starts to Unwind

By **Darren Isaacs** - 1 July 2021

### Recap

The UK government's furlough scheme, the CJRS (Coronavirus Job Retention Scheme) was introduced in Spring 2020.

Since then, the scheme has been modified and extended on various occasions and the current scheme is due to expire on 30 September 2021 and is unlikely to be continued.

Until today, the UK government has been paying 80% of a furloughed employee's wages, up to a cap of £2,500 per month for the hours the employee is on furlough.

Employers have not been required to make any payment contribution towards their employees' wages but have been paying social security and pension contributions.

### Today's changes

From today, the UK government will pay 70% of wages up to a maximum cap of £2,187.50 per month for the hours the employee is on furlough (down from 80% and a cap of £2,500 per month).

Employers will need to top up their employees' wages to make sure they receive 80% of wages (up to £2,500 per month) in total for the hours the employee is on furlough. In other words, employers will now pay 10% of wages up to a cap of £312.50 per month.

Claims for furlough days in June 2021 must be made on or before 14 July 2021.

### Spoiler alert

The CJRS will continue until the end of September, when it is unlikely to be extended and will therefore end.

In August and September the same rules will apply but:

- The Government will reduce its contribution to 60% or £1,875 per month; and
- Employers will need to increase their contribution to 20% or £625 per month.

### More information

See [here](#) for more information on the UK Furlough Scheme.