



UK Coronavirus Job Retention Scheme

March 23, 2020

On 20 March 2020, the UK Government announced plans to set up a Coronavirus Job Retention Scheme as part of a package of temporary measures to support businesses amid the disruption caused by COVID-19. At present, details of the scheme are limited, but the announcement indicated that all UK businesses (regardless of size) will be eligible to participate.

UK employers will be able to apply to HMRC for a grant which will reimburse 80% of the wage cost of employees who are designated as “furloughed workers”, up to a cap of £2,500 per month. Employers will be able to choose whether to top-up the wages of furloughed workers to their normal level.

The scheme will cover the cost of wages backdated to 1 March 2020. It is proposed to be available for at least three months, with a review at that time. The government expects to make grant payments by the end of April.

We do not currently have clarity as to how the scheme will operate. For example, it is unclear how the term “furloughed workers” will be defined, but it is likely to mean employees who are retained in employment but placed on a leave of absence, and who would otherwise have been terminated as a result of the COVID-19 disruption.

Information about furloughed workers and their wage costs must then be submitted to HMRC through a new online portal which is under development.

The government’s announcement follows the announcement of similar subsidisation schemes in Denmark, France, Germany and Sweden.

See [our April alert](#) with further details on the scheme.

[Coronavirus resource hub](#)

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