



Additional Details for the CJRS Extension

Some further rules for the extended furlough scheme have now been announced and can be summarised as follows:

Key Points

Employers can retrospectively furlough employees with effect from 1 November 2020, but an agreement must have been reached with employees by 13 November 2020 to backdate the position; after this date, agreements can not be put in place retrospectively.

There is no limit on the number of employees who can be put onto the extended CJRS.

Basis for Calculations

For employees that previously met the criteria to be furloughed (even if they were not actually furloughed), employers must use the same basis for calculating reference pay and usual hours, as under the (original) CJRS.

For employees who now meet the criteria of the extended scheme, but were not previously eligible, the alternative calculations of reference pay and usual hours must be used. These can be summarised as follows:

Reference pay

Fixed salary – 80% of the wages payable in the last pay period ending on or before 30 October 2020.

Variable salary – 80% of the average payable between the start date of their employment or 6 April 2020, whichever is later, and the day before their CJRS Extension furlough period begins.

Usual hours

Fixed number of hours – contractual hours in the last pay period ending on or before 30 October 2020.

Variable hours – average hours worked between the start date of the 2020 to 2021 tax year and the day before their CJRS extension furlough period begins.

Time Frame For Making Claims And Publication Of Employers Making Claims

Claims have a much shorter deadline for submission than under the original scheme, such that they must be submitted within 14 calendar days of the month to which they relate, unless this falls on a weekend, in which case the deadline is the next week day. Hence for November 2020, the claim must be submitted by 14 December 2020. Claims for November can now be made.

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Rawlinson & Hunter LLP

Eighth Floor
6 New Street Square
New Fetter Lane
London EC4A 3AQ

And at

Q3, The Square
Randalls Way
Leatherhead
Surrey KT22 7TW

T +44 (0)20 7842 2000
F +44 (0)20 7842 2080

hello@rawlinson-hunter.com
www.rawlinson-hunter.com

Partners

Mark Harris FCA
David Barker CTA
Kulwam Nagra FCA
Paul Baker ACA
Andrew Shilling FCA
Craig Davies FCA
Graeme Privett CTA
Chris Hawley ACA
Phil Collington CTA
Toby Crooks ACA
Michael Foster CTA
Paul Huggins ACA
Trevor Warrington CTA
James Randall FCA
Kristina Volodeva CTA
David Kilshaw
Alan Ive CTA
Catherine Thompson FCA

Directors

Lynnette Bober FCA
Karen Doe
Lynne Hunt FCA
Gillian Lawrence CTA
Nigel Medhurst AIT
Al Nawrocki CTA
Mark Shaw
Tracy Underwood CTA
Yueling Wei FCA
Sarah Fernando CTA
Hiral Kanzaria ACA CTA
William Watson FCA

Consultants

Chris Bliss FCA
Philip Prettejohn FCA

As part of the Government's efforts to limit furlough fraud, from December 2020, HMRC will publish details of companies and LLPs that have made claims under the scheme for the month of December onwards.

Other Information

Employers can continue to make a claim for a furloughed employee who is serving a statutory notice period, but the grant cannot be used to substitute redundancy payments. There is no reason why the grant should not apply to contractual notice periods but the Government publications to date are unclear on the detail – further guidance is promised later in the month.

Holidays continue to accrue when an employee is on furlough and employees can take leave whilst furloughed. Any hours taken as holiday during furlough leave should be recorded as furlough hours, not working hours. As previously, holiday must be paid at the normal rate of pay.

Although flexi-furlough agreements can last for any amount of time, generally the period for which you claim must be for a minimum claim period of 7 calendar days.

An alternative scheme to the Job Retention Bonus (JRB) will be put in place at the appropriate time, but the original JRB will not be paid in February 2021 due to the extension of the CJRS.

As a reminder, all claims relating to periods ending 31 October 2020 or earlier must be made by 30 November 2020.

This briefing should be read alongside our earlier briefings dated [6 November 2020](#) and [November 2020](#) relating to the Extended Furlough Scheme.

Please contact your usual Rawlinson & Hunter contact should you require further information or assistance with the above, or any of those listed below.

James Randall, Partner

Email: james.randall@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2131

Andrew Shilling, Partner

Email: andrew.shilling@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2135

Craig Davies, Partner

Email: craig.davies@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2136

Kulwarn Nagra, Partner

Email: kulwarn.nagra@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2130

Kristina Volodeva, Partner

Email: kristina.volodeva@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2126

Catherine Thompson, Partner

Email: catherine.thompson@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2028

Nigel Medhurst, Director

Direct Dial: +44 (0) 20 7842 2150

Email: nigel.medhurst@rawlinson-hunter.com

Hiral Kanzaria, Director

Email: hiral.kanzaria@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2102

Lynne Hunt, Director

Email: lynne.hunt@rawlinson-hunter.com

Direct Dial: +44 (0) 20 7842 2025

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Additionally, to assist our clients and readers in sourcing relevant information about government initiatives, financial assistance, guides and support eligibility, we have set up a dedicated COVID-19 Business Relief website containing technical resources and insights. We will be updating [this hub](#) regularly as new information becomes available. View our [COVID-19 resource hub here](#).

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