

Furlough extension 'lifeline' curbing NI redundancies

EXTENDED

The extension to the Furlough Scheme is already yielding positive results by allowing Northern Ireland employers to retain staff rather make redundancies.

The announcement of an extension to the Coronavirus Job Retention Scheme (CJRS) until December is, for now, saving businesses and jobs, according to HR Team Director, Breda Cullen.

Ms Cullen says: "The extension to the CJRS is proving to be a lifeline for Northern Ireland employers and employees.

"Among HR Team clients, the move has already resulted in employers retaining staff who otherwise may have been made redundant. Some have shelved plans for Covid-19-related redundancies, following the month-long extension of the scheme and that is a really positive outcome in what is a very difficult time for employers."

The new Job Support Scheme (JSS) - the government's replacement wage support scheme - had been set to launch on November 1, but is now postponed until the extended CJRS ends.

Under the CJRS scheme, furloughed employees will receive 80% of their current salary up to a maximum of £2,500 for hours

not worked.

Ms Cullen continued: "Businesses will be required only to cover National Insurance and employer pension contributions, making the extended furlough scheme more generous for employers than it was in October - given that payments were then scaled back to cover 60% of salaries.

"To be eligible for this extension, employees must be on an employer's PAYE payroll by midnight on October 30, 2020. This means a real-time information (RTI) submission notifying payment for that employee to HMRC must have been made before this date."

To provide further clarity for employers in these unprecedented times, Ms Cullen has highlighted the following key points:

- The CJRS will now remain open until December and will not close, as originally planned, on October 31. The exact end

date is currently unknown, but it is likely to coincide with the proposed ending of the new lockdown in England on December 2.

- The introduction of the JSS will be postponed until the CJRS ends.
- If employees have already received a letter that they would be on JSS it would be best to confirm with them that furlough will continue until the end of November.
- If employers are going through redundancies, you can either continue with redundancy, or put employees back on furlough. Confirmation in writing is important.

For further advice on the latest updates and how to handle staffing issues arising from recent restrictions, please contact HR Team in NI/UK on +44 2871 271882 or in ROI on +353 1 695 0749

Postponed Job Support Scheme to open in December

The Government Job Support Scheme (JSS) has been postponed due to the month-long extension of the Coronavirus Job Retention Scheme, but the Government has confirmed that JSS grants will be available from December 8.

To ensure you have all the facts on the JSS, our team has below digested and summarised it for organisations operating in Northern Ireland and the UK. The Job Support Scheme will now be open from December, 2020 and run for 6 months, until the end of April 2021. The government will review the terms of the scheme in January.

MAIN POINTS:

- The employee will need to work a minimum of 20% of their usual hours and the employer will continue to pay them as normal for the hours worked.
- The employee will receive 66.67% of their normal pay for the hours not worked – this will be made up of contributions from the employer and from the government.
- The employer will pay 5% of reference salary for the hours not worked, up to a maximum of £125 per month, with the discretion to pay more than this if they wish.
- The government will pay the remainder of 61.67%, of reference salary for the hours not worked, up to a maximum of £1,541.75 per month. This will ensure employees continue to receive at least

73% of their normal wages, where they earn £3,125 a month or less.

There is also support available for employers that have been legally required to close their premises as a result of coronavirus restrictions. These are:

- Each employee who cannot work due to these restrictions will receive two thirds of their normal pay, paid by their employer and fully funded by the government, to a maximum of £2,083.33 per month, although their employer has discretion to pay more than this if they wish.
- Employees may also be entitled to additional financial support, including Universal Credit.

ELIGIBILITY CRITERIA

- Employers will be able to access the Job Support Scheme if they have enrolled for PAYE Online; and they have a UK, Channel Island or Isle of Man bank account.
- Employees who can be claimed for (JSS Open and JSS Closed)
- Eligible employers will be able to claim the Job Support Scheme grant for employees who were on their PAYE payroll

between April 6, 2019 and 11:59pm on September 23, 2020.

- Employers can only claim for employees that were in their employment on September 23, 2020. If employees ceased employment after September 23, 2020 and were subsequently rehired, then employers can claim for them.
- An individual is an employee for the purposes of this scheme if they are treated as an employee for income tax purposes. Employees can be on any type of contract, including zero hours or temporary contracts.
- Agency workers are regarded as employees of an employment agency for the purposes of this scheme, provided they are employees for Income Tax purposes.
- Employees do not need to have been furloughed under the Coronavirus Job Retention Scheme to be eligible for the Job Support Scheme.
- Employers will be able to top up employee wages above the level of minimum contributions at their own expense if they wish. Employers cannot claim both JSS Open and JSS Closed in respect of a single employee for the same day.

9 COMPLIANCE STEPS TO PROTECT YOUR BUSINESS

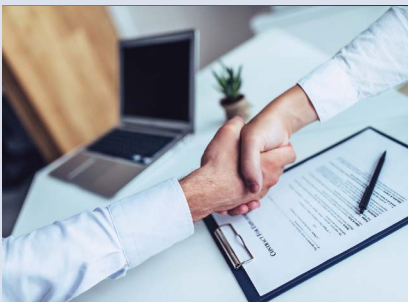
Is your business legally compliant with employment law? Are you aware of the risk of potential fines and prosecution for failure to adhere to employment legislation? Even if you only have one employee, you need to ensure compliance - particularly to keep up with the ever-emerging staffing challenges of lockdown.



Here are 9 steps to employment law compliance:

1. Contracts of employment

Every employee is legally entitled to terms and conditions of employment which must contain key pieces of information in relation to their employment.



2. Employee's job descriptions

It's important to ensure that each employee has a job description. A brief list of duties will be sufficient and can be contained within the terms and conditions of employment.



3. Annual leave

Each employee should receive annual leave in accordance with his/her terms and conditions of employment. It is important that a record of annual leave and public holidays taken is maintained

4. Hours of work

A record of hours of work should be maintained for every employee. An employer must be able to demonstrate that employees received their legal entitlement to daily and weekly rest breaks.



5. Pay details

Each employee should receive a payslip which should include details of all pay (gross, net, overtime, bonus, commission, rate per hour).

6. Workers under 18

For any organisation that employs a worker under 18, the employer must be able to demonstrate compliance with legislation for young workers in order to avoid prosecution and a fine.



7. Details of employee permits

It is crucial that the records of any employee requiring a work permit are maintained.

8. Mandatory policies and procedures

These are normally contained within the employee handbook and should include the disciplinary procedure, grievance procedure, dignity at work procedure and equal opportunities procedure.

MANAGING WORK PERMITS POST BREXIT

From an employment law perspective, employees coming to live and work in the UK or Northern Ireland (from the EU) after December 31 are likely to be subjected to a 'points based visa system'.



HR Team director, Martina McAuley, said: "If an employee was to be offered a UK contract and remained resident elsewhere in the EU, they would be classified as a 'frontier worker' and would need to apply for 'frontier worker' status. However, should an employee be required to move to the UK at some point after December 31, 2020, they would need to apply for a visa. Please note: There is no specific amount of time that the individual needs to be in the UK before the December 31 cut-off

point. If an employee is going to live and work in the UK, it would be beneficial if he/she did both before December 31. Therefore, they would avoid the need for a points-based visa. Workers can then apply for a pre-settled status or settled status before the end of June 2021 in order to remain in the UK. In order to apply for settled status, an individual must have been resident in the UK for five consecutive years. This does not have to be the most recent 5 years.

UPCOMING WEBINARS



HR Team has been very active in keeping employers up to date with employment law and relevant HR advice in relation to Covid-19.

Whether you have a specific HR question related to Covid-19 or you want to keep up with the ever-evolving developments, we invite you to join our experts as they discuss the key areas that are affecting employers right now.

Employment Law Advice During Covid-19

November 19, 2020: 10am - 11am

Homeworking - Managing staff motivation and mental health during Covid-19.

December 3, 2020: 10am - 11am

The Redundancy Process – How to stay legally compliant

December 17, 2020: 10am - 11am

HOW TO BOOK:

CONTACT HELLO@HRTEAMGROUP.COM

CALL: 028 71 271 882

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OR +353 (1) 695 0749

(FROM ROI)

Do you have an employment law or human resources question?

We help business start-ups, SMEs and large multinational organisations. Call to speak to us today on any aspect of employment law or strategic human resource services. Tel 028 71 271 882 or ROI 01 695 0749.





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