



UK Coronavirus Job Retention Scheme: FAQs for Employers

Insights

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How does the scheme work?

Under the Coronavirus Job Retention Scheme, the UK government will provide grants to employers of up to 80% of an employee's wages (with a maximum grant of 2,500 GBP per month) for employees who would otherwise have been laid off.

For what period will the scheme cover employee wages?

The scheme will cover the cost of wages backdated to 1 March 2020 for at least three months.

Is my company eligible for this program?

All UK businesses are eligible.

What is the benefit of using the job retention scheme?

UK employers will be able to lay off employees and keep them on the payroll, rather than making them redundant. This will help employees to have a steady workforce in place when they wish to return to regular business.

Is there an application process for this assistance?

Yes. Interested companies must submit certain information to the competent authority.

I would like to make my employees redundant in light of the COVID-19 pandemic. Does the UK statutory severance scheme still apply?

Yes. In the absence of a contractual provision or company policy, employers must follow the UK's statutory severance scheme. The statutory severance pay is calculated as follows:

- 5 weeks' pay for each full year of employment after the employees' 41st birthday
- One (1) week's pay for each full year of employment after the employees 22nd birthday
- Half a week's pay for each full year of employment up to the employee's 22nd birthday

The length of services is capped at 20 years and weekly pay is capped at 525 GBP. The maximum amount of statutory redundancy pay is 15,750 GBP.

For additional questions or assistance with the application process please contact Fisher Phillip's International Employment Practice Group.

Related People



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