

# Manufacturing update 5:

## Guidance issued on eligibility for government pay protection



Long awaited guidance has now been issued on eligibility for the government's **Job Retention Scheme** and in what circumstances employers can furlough (lay-off) workers while receiving a payment equivalent to 80% of gross earnings from the scheme. **We have been working tirelessly with government, employers and industrial federations to secure a just, fair settlement** that looks after workers safety, wage and job security and I trust you will agree that in these unprecedented times, we have secured some unprecedented victories. **This represents a floor not a ceiling.** Our shop stewards and officers will look to build on this via negotiation on the ground. **While there's still so much more to do of course, let us not lose sight of our victories on our journey.**

The **clarifications are very welcome** and although not all questions are answered, the guidance removes many of the uncertainties previously surrounding the scheme.

### WHAT THE GUIDANCE SAYS:

- ⇒ The **scheme will reimburse employers with 80% of gross earnings** up to a maximum of £2500 per month. Employers can also claim employers National Insurance and minimum statutory pension auto enrolment payments.
- ⇒ **Employers are permitted to make top up payments to 100% of pay.**
- ⇒ Employees **must be on lay-off and not working for the employer** - short-time working, job share and reduced earning employees still at work are not covered.
- ⇒ **All employees are covered**; full-time, part-time, agency and zero-hour workers so long as they were employed prior to 28<sup>th</sup> February 2020.
- ⇒ Employers **do not need to furlough all employees** to qualify.
- ⇒ **Workers made redundant since 28<sup>th</sup> February 2020 can be reinstated** and placed on the scheme as furloughed employees.
- ⇒ Workers currently on **Statutory Sick Pay and 'shielded' workers can be furloughed** at the end of their period of sickness or absence at the 80% rate.
- ⇒ For those on **variable pay** the calculation can be either an average of the last 12 months' pay, the same monthly earnings from the previous year or an average of earnings since starting work if less than 12 months.
- ⇒ If workers are **required to complete on-line training whilst furloughed they must be paid at least the national minimum or living wage** in addition to the 80% subsidy.
- ⇒ Those earning the **national minimum or living wage** are entitled to 80% even if that means their earnings under the scheme are less than the NMW or NLW.
- ⇒ The law has been relaxed in respect of **statutory holiday entitlement** meaning that the 28 days statutory leave can now be carried over into the next two holiday years.

As we clarify other outstanding questions we'll produce further updates to keep you informed. HMRC will continue to work with employers on the roll out of the scheme and further information can be found at <http://www.businesssupport.gov.uk/coronavirus-job-retention-scheme/>

Can I take this opportunity to thank you all for the fantastic job you are doing protecting our members and working people more generally in these unprecedented time. You're a credit to your union and I'm very proud of you. Stay strong and stay safe, we'll get through this together if we stand together.

In solidarity

Steve Turner

**Assistant General Secretary**

