

## Fixing the

## Furlough Gaps



The UK and devolved governments have been introducing measure after measure to soften the blow of the Covid-19 crisis and ensuing lock-down. This includes the UK government's Coronavirus Job Retention scheme, or furlough scheme. The scheme allows employers to claim back 80% of their workers' wages, up to £2,500 a month, if they are put on leave. The measure was introduced to encourage and support employers to retain staff as far as possible.

We have advised hundreds of clients about their employment rights since the onset of the crisis. Our local service has seen over 1000 people call us since February alone, and that's not including the calls to our Universal Credit Help to Claim service, or emails to our email advice service. Many of these clients have been able to fall back on the promise of the furlough scheme to protect some semblance of stability during this difficult time. However, a large proportion have found themselves falling through the cracks through no fault of their own. Originally you needed to be registered on the employer's PAYE payroll on or by the 28th February to qualify. This has now been extended to 19th March, but you still need to have received a payslip by this date. A new employee starting work on 1<sup>st</sup> March with a payday of 25<sup>th</sup> March will not get a payslip until after the new cut off date, even though they are employed within the deadline. Furthermore, the safety net for those employees who stopped working or were made redundant between 28th February and 19th March 2020 which allows their previous employer to re-employ them and put them on furlough, does not protect those individuals who are registered as ending employment before this date.

This has deprived many of our clients of longer-term security for during and after the crisis, and has possibly left them without income they would otherwise have been entitled to through the scheme.

The Government's approach prioritises real-time information to prove that employees were in legitimate employment and should be covered by the scheme. Therefore, we recommend an amendment which accords with this, but which also adopts the UK Government's current approach to evidencing eligibility for Coronavirus business grants:

1. Employees who were not registered on their employer's payroll on or before 19th March but who had an employment contract and who started work before this date, should be considered eligible for the scheme. Evidence of their eligibility should be provided through the production of a PAYE payslip and an RTI submission notifying payment. Employers can already claim through the scheme at any time, and past employers can re-employ employees after the dates without difficulty, so the system should already be prepared to accept these claims.

2. For people who were due to start new employment after this date, but whose job offers were retracted because the company had to stop operating, preventing them from taking up employment, the government should consider incentives for employers to reproduce the job offers hitherto retracted, to be taken up after lockdown ends.

This would reinforce and render increasingly comprehensive the Government's measures to protect both individuals, families and the economy against unnecessary uncertainty and decline.

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