

Coronavirus Job Retention Scheme | Churches, Circuits and Districts (UPDATED 25 March 2020)

This document provides initial information that is available on the Coronavirus Job Retention Scheme for Churches, Circuits and Districts. The information is limited at present, the government is expected to publish further information soon, the information below is therefore subject to change.

The Methodist Church, its governing body the Conference, the Methodist Council acting on behalf of the Conference, or any of the Connexional Team accept no responsibility for any loss arising out of reliance on the information contained herein.

The Chancellor has announced that the government is setting up a new Coronavirus Job Retention Scheme, which will enable the government to step in and help pay the wages of people who could otherwise be laid off without pay or made redundant as a result of the Coronavirus crisis. Under this scheme, any such employees would be ‘furloughed’ (temporarily laid off).

25/3/20 | We have received information from various sources that has caused concern and confusion, please note the following:

- This scheme **would not be applicable to Methodist Ministers**, ministers are not employees and they would not be at risk of redundancy.
- Please remember that only the headlines of the scheme have been provided! There will be a lot of speculation at this stage, this is a complicated process that the government is working out and need time to put together.
- The scheme is intended to support employers to continue paying employees **who would otherwise be made redundant or put on an unpaid period of lay-off**.
- The purpose of the scheme **is not** for employers to recover employment costs from the government for any other reason. We do not know what evidence employers will be expected to provide to demonstrate their inability to not continue paying the employees.
- It would appear the scheme has not been designed with charities in mind, though charities are eligible to apply. Charities are expected to have reserves to cover unexpected shocks and we anticipate that trustee bodies would first look at their reserves before considering redundancy of employees during this crisis. We are aware that considerable lobbying of the government is taking place on behalf of the charity sector and we will signpost any changes in guidance as they become available.
- The government will want to ensure that the scheme is not being taken advantage of, and we do not know what anti-fraud measures will be implemented as part of the scheme.
- Please think through the course of action that you are considering carefully and ensure that you are intending on utilising the scheme for its intended purpose.

These are challenging times for all, but let us not forget about our ethos and values, care and compassion are even more crucial during these times.

What do we know?

The information that is currently available on this scheme is brief and the government will publish further details.

- The scheme will cover all UK employers. To access the scheme, employers will need to designate affected employees as 'furloughed workers', which for the purposes of this current crisis means employees who would otherwise be laid off or be made redundant.
- Most employment contracts will not contain a lay off clause, in the majority of cases, the furloughing of employees should be done by agreement between the employer and affected employee(s).
- HMRC will reimburse 80% of the wage costs of furloughed employees, this will be capped at £2,500 per month. Employers can top up salaries further if they choose to (funding the difference between the 80% payment and the employee's full salary).
- The Scheme will cover the cost of wages backdated to 1 March, it will be open for three months from that date, though the Chancellor may extend the scheme for longer if necessary.
- Employees will remain employed while furloughed, but to qualify for the scheme, they must not undertake any work for the employer while furloughed.
- An online portal is currently being set up which will enable information about furloughed employees to be submitted to the HMRC.

There are a number of questions that may be addressed once the government has published further information on this Scheme. These include but are not limited to:

- ? Which individuals will be eligible? The language on employment status in the Chancellor's statements and guidance is not clear. There is an indication that eligibility will be based on whether someone is paid through PAYE.
- ? Will conditions be imposed on employers in order to be able to access the scheme, for example the process that will need to be followed or the evidence that will need to be provided to prove eligibility?
- ? Will the employer still need to pay employer's National Insurance Contributions? Is the £2,500 cap gross or net?
- ? To what extent will employers have the flexibility to call in furloughed staff to work if there is a need for it (due to other staff being off sick or moving into isolation)?
- ? How will employers choose who to keep working and who to furlough? What will be a fair selection process?
- ? How will employers manage a potential sense of unfairness between those who have to work and those who can stay at home and be paid?
- ? How might this scheme interlink with statutory sick pay?