



FINANCIAL PLANNING TIPS FROM HEB WEALTH & EMPLOYEE BENEFITS



TIP 3 - Furlough Scheme Extended... but What are the Changes?

From the 1st July employers will be able to bring back employees part time, they will be paid in the normal manner for the hours they work, with Furlough levels being paid for the non-working time.

Example:

If an employee works a 40-hour week, you can ask them to work 30 hours and then furlough for 10 hours. The amount of time they work each week can also vary over the month with employers being able to vary it week by week.

There is no limit on the number of hours they can work against the number of hours furloughed. This will help employers transition workers back in to work.

So, what will be expected from August?

- August:** The Government will pay 80% of wages, up to a cap of £2,500 month. Employers will have to pay national insurance and pension contributions.
- September:** The Government will pay 70% of wages, up to a cap of £2,190 month. Employers will have to pay national insurance and pension contributions, and 10% of wages to make up 80% of the total, up to a cap of £2,500 month.
- October:** The Government will pay 60% of wages, up to a cap of £1,875 month. Employers will have to pay national insurance and pension contributions, and 20% of wages to make up 80% of the total, up to a cap of £2,500 month.

Example of the impact of the changes based on earnings £36,000 pa

Date	Employer Salary cost	Employer Pension cost	Employer NI cost	Government Input	Wage received by employee
July	£0	£0	£0	£2,687	£2,400
August	£0	£56.40	£230.13	£2,400	£2,400
September	£300.00	£56.40	£230.13	£2,100	£2,400
October	£600.00	£56.40	£230.13	£1,800	£2,400

Want to find out more?

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"We now have so many rules and regulations that everyone is guilty of some violation"
Donald Alexander

The Furlough scheme will end on 31st October 2020
Beware!
THE FURLOUGH SCHEME WILL CLOSE TO NEW ENTRANTS FROM 10th JUNEto benefit from ongoing support 'employers must have been using the scheme and have staff on furlough on or before 30 June and the furlough must have started by 10 June'.
The above is based on HEB understanding of that latest announcement made by the Chancellor.

Would you like us to help you with Furlough?
Contact HEB now
