

UK Government To Pay Workers' Wages To Prevent Job Losses Due to COVID-19

The UK Government has this evening announced “unprecedented measures for unprecedented times”, including that it will pay 80% of wages for employees who are unable to work due to the coronavirus epidemic, up to a maximum of £2,500 per month.

This assistance – which will initially last for three months - will be backdated to 1 March 2020 to help employees who have already been dismissed, if they are re-engaged.

This massive measure aligns with the Government’s very strong message to UK employers that they should not dismiss workers as a result of the pandemic.

Inevitably, many businesses have already been considering or even implementing drastic measures, such as mass redundancies, lay-offs, unpaid leave and enforcing reduced hours. These measures can of course be devastating for employees. They can also give rise to significant liabilities for the employer, such as compensation for unfair dismissal, the need to pay notice, entitlements to redundancy payments and, where significant numbers of employees are involved, large “protective awards” for failing to consult collectively. Some businesses may find that some such measures are still necessary, or may become so over time. However, the action announced today will give every employer extremely valuable assistance if it needs it to help keep its employees in work. The hope is that this will make employers much less likely to implement immediate and drastic cuts in their workforce.

The Government’s clear message is that we should weather the storm together, and that the economy will bounce back more quickly if people remain in their jobs. This extraordinary and unprecedented measure – along with others such as the extension of the period of interest free loans to small businesses – should go a long way to seeing that happen.

The Dorsey London Employment Team is keeping up to speed with these fast-moving developments and as ever is ready to help its clients and contacts as needed.

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For further information, please contact [Bob Cordran](#) or [Natalie Taylor](#).

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