

UK Update - SSP Extended and Changes to Furlough Scheme

The UK Government announced yesterday that entitlement to statutory sick pay (SSP) has been extended to people who are told to isolate under the new “test and trace” system. This means that someone who self-isolates for 14 days having been notified that they have been in contact with a person who has tested positive for COVID-19 will be entitled to receive SSP. There is some concern that the low level of SSP (£95.85 a week) may deter employees from admitting to their employer that they have been contacted by the test and trace team, if it will mean not being able to attend work and losing income.

Also, the Chancellor has this afternoon announced significant changes to the Coronavirus Job Retention Scheme under which millions of employees are currently furloughed.

The key points are:

- the last day to furlough an employee will be 10 June
- from 1 July, employees will be able to return part-time and remain furloughed for the balance
- from 1 September, the government will only reimburse 70% of salary (up to £2,190) with the employer topping up to 80% (or more)
- the amount of government support will be cut further to 60% (up to £1,875) from 1 October, again with the employer topping up
- employees will be required to pay employer National Insurance Contributions and pension contributions from August

The scheme will end, as previously announced, at the end of October.

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