

Furlough scheme extended until October

Chancellor Rishi Sunak announced that the government's Coronavirus Job Retention Scheme will remain open until the end of October. This decision to extend the scheme, which will continue to apply across all regions and sectors in the UK economy, comes after the government outlined its plan for the next phase of its response to the coronavirus outbreak.

New statistics reveal that the job retention scheme has protected 7.5M workers and almost 1M businesses. In a continuous effort to support millions of jobs and businesses, Rishi Sunak said the furlough scheme would be extended by a further four months.

As the UK attempts to reopen its economy, the government needs to support people to get back to work. From the start of August, furloughed workers will be able to return to work part-time with employers being asked to pay a percentage towards the salaries of their furloughed staff.

The employer payments will substitute the contribution the government is currently making, ensuring that staff continue to receive 80% of their salary, up to £2,500 a month.

“Our Coronavirus Job Retention Scheme has protected millions of jobs and businesses across the UK during the outbreak – and I’ve been clear that I want to avoid a cliff edge and get people back to work in a measured way. This extension and the changes we are making to the scheme will give flexibility to businesses while protecting the livelihoods of the British people and our future economic prospects.” – Chancellor Rishi Sunak

The scheme will continue in its current form until the end of July with changes to allow more flexibility coming in to effect from the start of August. More specific details and information about the implementation will be made available by the end of this month.

The government will also explore ways through which furloughed workers who wish to do additional training or learn new skills are supported during this period. It will also continue to work closely with the Devolved Administrations to ensure the scheme supports people across the Union.

The scheme is just one part of the government’s economic response to coronavirus, including an unprecedented package for the self-employed, loans and guarantees that have so far provided billions of pounds in support, tax deferrals and grants for small businesses.

Other statistics show that, so far, businesses have benefitted from over £14B in loans and guarantees to support their cash flow during the crisis. This includes 268,000 Bounce Back Loans worth £8.3B, 36,000 loans worth over £6B through the Coronavirus Business Interruption Loan Scheme, and £359M through the Coronavirus Large Business Interruption Loan Scheme.

“The Job Retention Scheme is a lifeline which has been hugely beneficial in helping small employers

keep their staff in work, and it's extension is welcome. Small employers have told us that part-time furloughing will help them recover from this crisis and it is welcome that new flexibility is announced today.” – Mike Cherry, National Chairman of the Federation of Small Businesses

Stay up to date with updates related to [furlough on the UK Gov website](#).

Take one step further with an article from Rob Winspear, Legal Officer at SeedLegals who explains [what more could have been done in the decision of extending the furlough scheme](#).

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Article by MADDYNESS