

The coronavirus job retention scheme is already in need...

Published: January 13, 2026, 12:19 am

The government has provided [a little more guidance](#) on the coronavirus job retention scheme. They have said:

Furloughed workers

If your employer cannot cover staff costs due to COVID-19, they may be able to [access support to continue paying part of your wage](#), to avoid redundancies.

If your employer intends to access the Coronavirus Job Retention Scheme, they will discuss with you becoming classified as a furloughed worker. This would mean that you are kept on your employer's payroll, rather than being laid off.

To qualify for this scheme, you should not undertake work for them while you are furloughed. This will allow your employer to claim a grant of up to 80% of your wage for all employment costs, up to a cap of £2,500 per month.

You will remain employed while furloughed. Your employer could choose to fund the differences between this payment and your salary, but does not have to.

If your salary is reduced as a result of these changes, you may be [eligible for support through the welfare system](#), including Universal Credit.

We intend for the Coronavirus Job Retention Scheme to run for at least 3 months from 1 March 2020, but will extend if necessary.

We can hope that there will be some clarifications on this today, but as it stands these rules are deeply troubling, most especially for small businesses. They are perfect for large retailers and restaurants that are now shutting down, and they will help the employees of small businesses that do by chance survive this crisis. But there remain massive holes in what is being proposed that need to be addressed, although I welcome the fact that 'all employment costs' are referred to, which must mean national insurance and the currently wholly wasteful mandatory pension contributions are covered.

But the bug problems aware:

- 1) The employer still has to agree to do this scheme;
- 2) There is still no clarity about what happens if the employer does, despite the scheme, go bankrupt during the coronavirus crisis;
- 3) The ludicrous requirement that the employee do no work, meaning that companies trying to keep some parts of their systems going can get no support, is retained: this will have to change if the government wants the supply-side of the economy to survive this crisis;
- 4) The position of owner directors looks to be very difficult: if they have to work to, at the very least, ensure that the payroll is processed (and that would seem inevitable) then they cannot, apparently, be furloughed, and as such be subject to the scheme, which is absurd if they have lost all their income. And they could end up in a worse position than the self-employed as a result, which is ridiculous. This government's idea that those who run companies or are self-employed come from a privileged, and otherwise leisured class who can rely on other income for their support has to change, and very rapidly.

I hope we get more information today.