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Wed 25th Mar 2020 - JD Wetherspoon draws up proposed own rules for government's Coronavirus Job Retention Scheme

JD Wetherspoon draws up proposed own rules for government's Coronavirus Job Retention Scheme: JD Wetherspoon has drawn up proposed rules on how the Coronavirus Job Retention Scheme (CJRS) could work and has submitted these to the government for approval. The company said further to discussions with UKHospitality chief executive Kate Nicholls, substantial progress had been made regarding the scheme. It said to assist the government and UKHospitality, Wetherspoon had drawn up its own rules (see below) as to how the scheme would work.

The company stated: "On the basis the government approves these rules and, subject to confirmation reimbursement will be implemented by the end of April, Wetherspoon will introduce the scheme immediately." Chairman Tim Martin said: "As we have already confirmed, Wetherspoon will pay all its 43,000 staff this Friday for the hours worked last week. The first payment under the new scheme will be made on Friday, 3 April subject to government approval, and weekly thereafter. Many thanks to Kate Nicholls, UKHospitality and the government for their great efforts in dealing with the logistical issues involved in introducing a complex scheme so quickly." Nicholls said: "All companies in hospitality and leisure are caught in an impossible position whereby they need to make critical decisions about funding pay to colleagues while enduring a period of zero income and without the certainty of when the promised government help will arrive. In the case of our member companies, as graphically illustrated by Wetherspoon, the top priority has been how we can get money into businesses to pay workers when we collectively have no income and squeezed liquidity.

Confirmation of when this scheme would launch and cash would flow into businesses so they can pay their teams and fully participate in the recovery would be enormously welcome. We're grateful to the government for stepping in with this support for jobs and business but now we need urgent clarification on the details of the scheme, particularly as finance from the banks is so slow to arrive, if at all."

The CJRS at Wetherspoon: Under the CJRS, the company would continue to pay a proportion of pay for those employees who would otherwise have been laid off during this crisis. The details of this scheme are based on the announcement of chancellor Rishi Sunak on 20 March and the limited information published on www.gov.uk. While the details of the intended scheme are still being finalised by the government and HMRC, the company has set out its best interpretation of how payments to employees would be made.

Scheme commencement: Monday, 23 March for weekly paid employees, Tuesday, 24 March for monthly paid employees.

Pay frequency: Weekly paid employees would be paid on a Friday or Thursday if the Friday is a bank holiday. The first payment would be made on Friday, 3 April. Monthly paid employees would be paid on the 27th of each calendar month or the previous Friday if this date falls on a weekend or bank holiday. The first payment would be made on Monday, 27 April. An interim payment would be made on Thursday, 9 April to cover the pay period 24 to 31 March.

Calculation of pay: The government would reimburse the company 80% of normal total pay to employees up to a cap of £2,500 a month or £576.92 a week. The company would add to the maximum payments under the CJRS such that

all employees would receive 80% of their normal total pay, excluding bonus payments, up to an agreed cap. For hourly paid employees, normal pay would be calculated as the higher of either guaranteed minimum hours or the average of gross weekly earnings (excluding bonus payments and any other deductions) over the previous 13 weeks (16 December 2019 to 15 March 2020). If you have been employed for less than 13 weeks, it would be calculated as the average of the weeks you have worked. It is our understanding furlough pay is subject to the normal deductions for tax and national insurance.

Holiday leave and pay: No holiday entitlement or holiday pay would accrue while an employee was on the scheme (subject to further government guidance).

Maternity/paternity/adoption/shared parental leave and pay: Employees already on leave would continue with their payments as previously advised. The situation for employees about to go on leave isn't clear and one where we require further government guidance.

Sick leave and pay: Employees already on furlough aren't required to report their sickness absence. Employees already absent on sick leave would continue on this leave until their current period of absence came to an end. At this stage, unless a further notification of absence was received, they would be moved on to furlough. This is a complex area and if employees had concerns or were unclear what this meant for them, they should contact us to discuss their specific case.

The following work is permitted outside of Wetherspoon while on furlough: Unpaid voluntary work; existing roles with another company including increasing hours, although this may affect any furlough payment received; and other paid employment, although the hours you work elsewhere are likely to affect any furlough payment received from Wetherspoon.

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