

Headline points of the 2021 Budget for employers & the self-employed

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On reflection, yesterday's 2021 Budget announcement already seems to be a seminal moment on the road to recovery from the impacts of the Covid-19 pandemic, particularly for both employers and the self-employed who waited anxiously to discover what support the Chancellor and his magical red box would be keeping on the table and for how long. Here are some of the headline points:

- Extension of the Coronavirus Job Retention Scheme (CJRS) until the end of September;
- Minimum wage to increase to £8.91 per hour from April;
- A fourth and fifth Self-Employment Income Support Scheme grant covering the period from now until the end of September.

With more than 11 million jobs being protected by the CJRS since its inception in March 2020, many employers will be relieved that the scheme will continue to be available throughout the summer. The scheme will allow employers to furlough eligible employees, recouping 80% of salaries up to a maximum of £2,500 until July, when 10% employer contributions will be required, followed by 20% employer contributions in August and September.

With 21 June currently cited as the earliest date on which all restrictions on social contact and businesses could be withdrawn, it is hoped that the extension of the CJRS will provide several weeks leeway to allow employers to gradually re-establish as much of their workforce as possible, reducing the need for further redundancies, although the success of this strategy continues to be heavily dependent on the success of the vaccine rollout over the next few months and whether any curveballs are thrown along the way.

Whilst yesterday's announcement undoubtedly provides some short-term relief, we advise that you continue to consider the organisation of your workforce in the medium and long-term and seek appropriate legal advice in the event that difficult decisions have to be made.

Contact



Mark Hickson
Head of Business Development

onlineteaminbox@brownejacobson.com

+44 (0)370 270 6000

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