

March 20, 2020

U.K. EMPLOYMENT LAW - UPDATED CONSIDERATIONS FOR COMPANIES RESPONDING TO COVID-19

To Our Clients and Friends:

Whatever industry you are in, you are undoubtedly concerned about preparing your business to face the threat of the novel coronavirus (COVID-19).

In our alert of 17 March 2020, we identified some of the key considerations for UK-based businesses working to reduce the risk of employee exposure. We also outlined key steps to take when an employee tests positive for COVID-19 or must care for someone with the virus.

The UK government response to the outbreak evolves daily, and we encourage employers in the UK to monitor UK government and National Health Service guidance and legislative developments over the coming days and weeks.

UK Government introduces the Coronavirus Job Retention Scheme

In a television address on 20 March 2020, the UK government has outlined a number of support measures for UK businesses impacted by the virus, including cafes, pubs, restaurants, theatres, cinemas, gyms, nightclubs and leisure centres which have been forced to close with effect from today.

Following discussions with both the Trade Union Congress and employer organisations, the UK government has established a Coronavirus Job Retention Scheme to be administered by HM Revenue & Customs.

The scheme will make available grants to those employers who elect to furlough, rather than lay off, employees who are without work during the current crisis. The grant will cover 80% of the wages of furloughed employees up to a maximum of £2,500 per month. The scheme will cover wages payable from 1 March 2020 and will remain in place for a minimum of three months. The government's comments appear to suggest that grants would not cover the wages of those employees working a reduced schedule due to the virus.

The Coronavirus Job Retention Scheme sits alongside other measures introduced by the UK Government to support businesses, including the provision of government-backed loans which will be interest free for 12 months and a deferral of Value Added Tax payments for the next quarter.



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*Gibson Dunn's lawyers are available to assist with any questions you may have regarding developments related to the COVID-19 outbreak. For additional information, please contact any member of the firm's **Coronavirus (COVID-19) Response Team**.*

*This client update was prepared by James Cox and Charlotte Fuscone. Gibson Dunn attorneys regularly counsel clients on the compliance issues raised by this pandemic, and we are working with many of our clients on their response to COVID-19. Please also feel free to contact the Gibson Dunn attorney with whom you work in the **Employment Group**, or the following lawyers in the firm's London office:*

James A. Cox (+44 (0)20 7071 4250, jcox@gibsondunn.com)

Sarika Rabheru (+44 (0)20 7071 4267, srabheru@gibsondunn.com)

Heather Gibbons (+44 (0)20 7071 4127, hgibbons@gibsondunn.com)

Georgia Derbyshire (+44 (0)20 7071 4013, gderbyshire@gibsondunn.com)

Charlotte Fuscone (+44 (0)20 7071 4036, cfuscone@gibsondunn.com)

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