

CORONAVIRUS JOB RETENTION SCHEME - UPDATES



Recent updates have been announced to the Coronavirus Job Retention Scheme (CJRS); giving more clarity on areas that were, until now, quite vague.

Under the Coronavirus Job Retention Scheme all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis. This is a temporary scheme in place starting from 1 March 2020 until the end of June 2020.

Who is eligible?

It has been made more transparent as to who is eligible to make a claim.

HMRC has stated that any entity with the following can be eligible for the claim:

- A UK bank account
- Was on a UK payroll before March 19, 2020
- On any type of employment contract (as well as being fixed term)

Therefore, those that are:

- **Apprentices** – if paid at least Apprenticeship minimal wage, National Living Wage or National Minimum Wage
- **Shielding employees** – if shielding in line with public health guidance, if unable to work from home or would be made redundant
- **Employees with caring responsibilities** – if unable to work due to caring responsibilities caused by coronavirus will have access to this scheme

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For those who are not considered employees; are they eligible?

The revised guidance from HMRC particularly addresses detailed clarification on furloughed workers who are not considered employees but can be eligible for the scheme, such as:

- Office holders – to be agreed between office holder and party who operates PAYE on income
- Salaried members of Limited Liability Partnerships (LLPs)
- Agency workers
- Limb workers
- Company directors
- Foreign nationals are also eligible claimants.

What it means to be a 'Furloughed' worker under this scheme?

- HMRC states that furloughed employees can pursue voluntary work under the condition that it does not, in any case, generate revenue on behalf of the organisation. An employee's training can also be continued under the same rule.
- Employees having more than one job are also eligible to be furloughed for both or one whilst continuing the other.
- To proceed the claim, HMRC stresses that employers must confirm to their employee that they have been furloughed, in writing. Any employee is required to be furloughed for a minimum of three consecutive weeks.

Clarification on Salary

If an employee's pay varies and he/she has been employed for 12 months or more, the employer can claim the highest of the same month's earning from the 2019-2020 tax year, or the average of the monthly earnings from that year. If employed for less than that period, employers need to claim 80% of the employee's monthly earnings since their start date.

Furloughing staff and proving profits have been affected by COVID-19

If you are making a claim to the Government's CJRS, we would note that HMRC are likely to audit claims either now or at a later date and so please ensure that you keep accurate records of furloughed employees, including the agreements to vary the terms of contracts etc.

Please be aware in particular that if HMRC find that your profits were not affected by Coronavirus there is a possibility that they will claw back any monies overclaimed, bearing in mind it was set up to support companies whose operations have been severely affected by Covid-19.

Online Portal - due to be live on 20 April 2020

The Coronavirus Job Retention Scheme (CJRS) is due to open on 20 April 2020, in time for HMRC to make the first payments by 30 April 2020. HMRC's aim is for employers to be paid the first furlough payments four to six working days after submission of their claim. Employers will be able to claim 14 days before they are due to pay their employees.

The new online system has been stress-tested to deal with up to 450,000 claims an hour and HMRC are confident that it can deal with a large volume of claims. There are currently no plans to extend the scheme to those employees who have had their working hours reduced because of the pandemic, or to assist those who started a new job after 19 March 2020 if their previous employer does not agree to re-engage and furlough them.

For all the latest news...

In order to make a claim you will need to provide the following information:

- ePAYE reference number
- The number of employees being furloughed
- The claim period (start and end date)
- Amount claimed (per the minimum length of furloughing of 3 consecutive weeks)
- The relevant bank account number and sort code
- Claimant's contact name
- Employee's contact phone number
- Your Self-Assessment UTR (Unique Tax Reference) or Company UTR.

New operational guidance will be published shortly, to assist employers in getting their claims ready to upload when the online portal opens.

Should you have questions or specific queries relating to the Coronavirus Job Retention Scheme or furloughing staff, please contact us on 01753 888211 or email info@nhllp.com