

Coronavirus Job Retention Scheme Extended



Presented by
Andrew Law CTA
Senior Manager, Tax Consulting



AGENDA

- **What is changing - overview**
- **Eligible employees**
- **Employer responsibilities**
- **Reference pay & usual hours**
- **Summary**

OVERVIEW

CJRS

Based on HMRC Policy Paper 5 November 2020 and further guidance published on 10 November 2020

Up to 31.10.20

The existing scheme continues to apply

- Employees on payroll 19.3.20
- Old rules for reference pay and usual hours
- Reduced grant (70%/60%)
- Claim deadline 30 November 2020

From 1.11.20

New extended rules apply

- Employees on payroll 30.10.20
- New reference pay and usual hours rules
- Grant 80% of hours not worked up to £2,500
- Runs until 31.3.2021

Employed

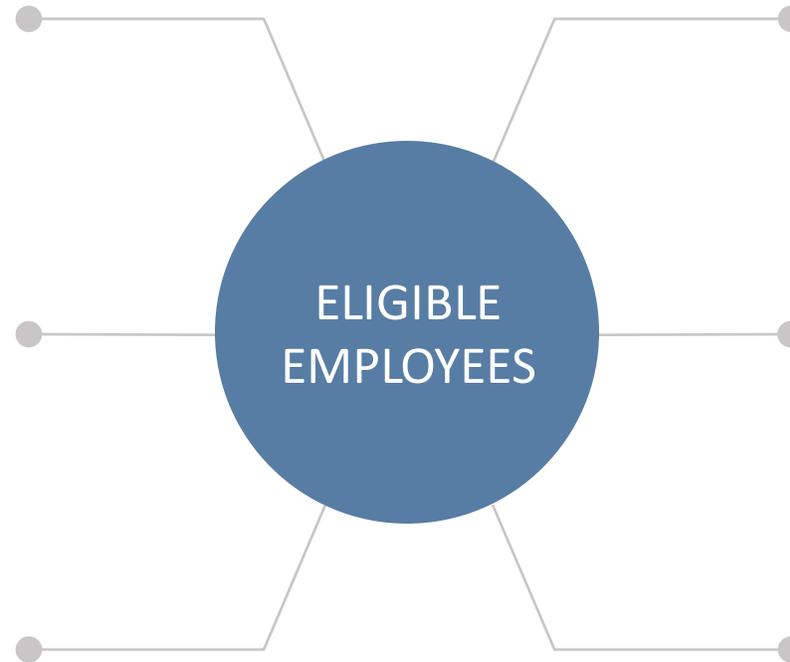
The individual must be employed as at 30.10.2020 (but see 'bring back' rules below)

On RTI

The employee must have been included on an RTI submission between 20.3.20 and 30.10.20

Furloughed

The employee must be on furlough on or after 1.11.2020



Previous claims

There is no requirement for the employee to have been included in a previous CJRS claim

Flexible furlough

Full or flexible furlough permitted for any kind of work patterns and any kind of contract

Employer/employee agreement

Details of agreement in writing

Who can be furloughed?

- **Anyone who would otherwise be working**
- **Anyone who is shielding as a result of Coronavirus**
- **Anyone who has caring responsibilities because of Coronavirus**
- **Can furlough someone who is sick**
- **Employer choice between SSP and CJRS if employee becomes sick whilst furloughed**

Bringing people back

- **Employees on the payroll at 23.9.20**
- **Who were made redundant or stopped working after 23.9.20**
- **Must have been on RTI between 20.3.20 and 23.9.20**
- **Fixed term contract ending after 23.9.20 can be re-employed**

When employees are on furlough

- **Cannot do any productive work**
- **Can undertake training**
- **Can do volunteering for someone else**
- **Can work for someone else**

When employees are on furlough

- **Employees retain their rights, including:**
 - **SSP**
 - **Annual leave**
 - **Maternity or other parental rights**
 - **Rights against unfair dismissal**
 - **Redundancy payment**
 - **Statutory Minimum Wages for hours worked**

Employer responsibility

- **Pay for all hours actually worked**
- **Operate PAYE on normal pay and furlough pay**
- **Pay normal pension contributions and employers National Insurance**
- **Employer – employee agreement**

Reference Pay

Eligible under old CJRS
(even if no claim made)

Employed 19.3.20

Use reference pay as applied in
August 2020

Not eligible under old CJRS

Employed 30.10.20

Fixed Pay

- Last pay period on or before
30.10.20

Employed 30.10.20

Variable Pay

- Average pay 20/21
 - From 6.4.20 (or
employment start date)
 - To start of furlough
period

Usual Hours

Eligible under old CJRS
(even if no claim made)

Employed 19.3.20

Use calculation as previously

Not eligible under old CJRS

Employed 30.10.20

Fixed Pay

- Contract hours in last pay period ended on or before 30.10.20

Employed 30.10.20

Variable Hours

- Average pay 20/21
 - From 6.4.20 (or employment start date)
 - To start of furlough period

Example

From Policy Paper 5.11.20

Working out usual hours for an employee not previously eligible for CJRS

Sam has been employed by A Ltd since April 2020. A Ltd was not eligible to claim a CJRS grant for Sam. Sam is paid weekly. Sam has always been contracted to work a fixed number of hours per week (30 hours), and their pay does not vary according to the number of hours they work.

For the claim period 16 November 2020 to 22 November 2020, Sam's usual hours will be 30 hours, being the number of hours Sam was contracted for on 25 October 2020, the end of the last pay period ending before 30 October.

His reference pay will also be his normal weekly wage. If he is fully furloughed the claim will be for 80% of his wages.

How to claim

- **Minimum claim period 7 days**
- **Claims for calendar months – split overlapping pay periods**
- **Claims should be open from 8am Wednesday 11 November**
- **Claim in advance of pay run**
- **Deadline is 14 days after month end – e.g. November claims must be made by 14 December**

Other points

- **Job Support Scheme delayed**
- **Job Retention Bonus deferred until “an appropriate time”**
- **Further detailed guidance on HMRC website**

Old claims

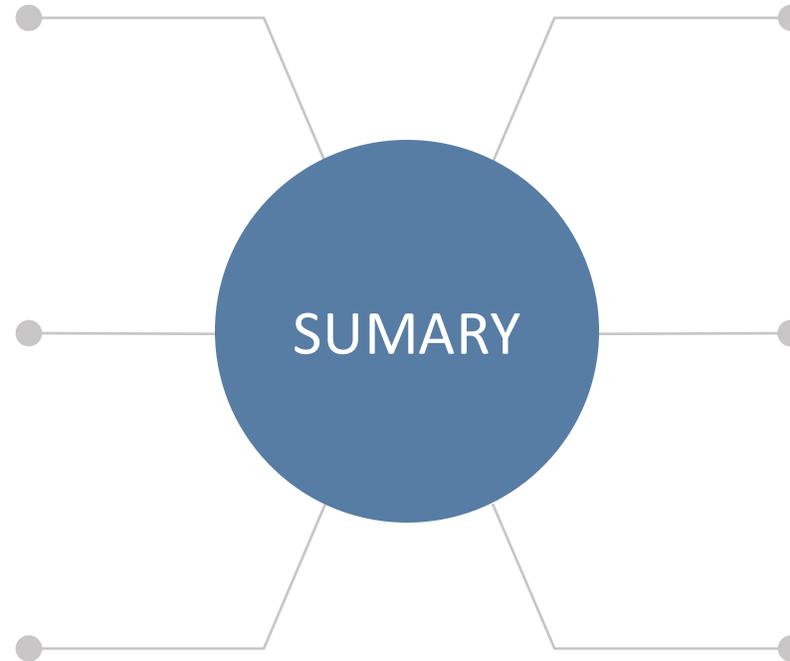
30 November deadline for claim up to 31.10.20

New claims

From 1.11.20
Can claim before wages paid

Any employee at 30.10.20

Any employee can be furloughed if employed at 30.10.20 plus employees at 23.9.20 who are 'brought back'



80% grant

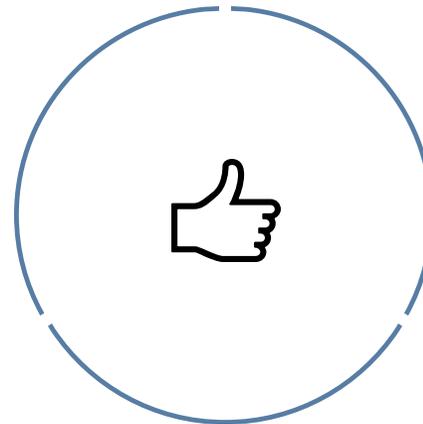
The grant will be paid at 80% of unworked usual hours up to £2,500

New deadlines

Claims must be made within 14 days of the end of the month. E.g. claims for November must be made by 14.12.20

New rules for reference pay and usual hours

Different rules for previously eligible employees and new claims



Thank You



This presentation is based on the HMRC policy paper issued on 5 November 2020 and further guidance issued on 10 November 2020