

1 June 2020

EDITION 12

NEW – Changes to Coronavirus Job Retention Scheme (CJRS)

On Friday evening (29 May 2020) the Chancellor announced the incoming changes to the CJRS as he looks to taper the scheme to closure in October 2020. We therefore wanted to bring employers and employees up to speed on the changes and how they will fall.

From 1 July 2020, employers will be given the flexibility to bring furloughed employees back part time, a month earlier than previously announced. Individual employers will decide the hours and shift patterns their employees will work on their return, so that they can decide on the best approach for them. The employer will be responsible for paying employee wages while they are in work.

From August 2020, the level of government grant provided through the CJRS will be slowly tapered to reflect employees returning to work. That means that for June and July the government will continue to pay 80% of employee's salaries. In the following months, employers will be asked to contribute, but crucially employees will continue to receive 80% of salary covering the time they are unable to work.

The scheme updates mean that the following will apply for the period people are furloughed:

June and July: The government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance (ER NICs) and pension contributions. Employers are not required to pay anything.

August: The government will pay 80% of wages up to a cap of £2,500. Employers will pay ER NICs and pension contributions – for the average claim, this represents 5% of the gross employment costs the employer would have incurred had the employee not been furloughed.

September: The government will pay 70% of wages up to a cap of £2,187.50. Employers will pay ER NICs and pension contributions and 10% of wages to make up 80% total up to a cap of £2,500. For the average claim, this represents 14% of the gross employment costs the employer would have incurred had the employee not been furloughed.

October: The government will pay 60% of wages up to a cap of £1,875. Employers will pay ER NICs and pension contributions and 20% of wages to make up 80% total up to a cap of £2,500. For the average claim, this represents 23% of the gross employment costs the employer would have incurred had the employee not been furloughed.

Employers will be required to submit data on the usual hours an employee would be expected to work in a claim period and actual hours worked. Employees who believe they are not getting their 80% share can also report any concerns to the HMRC fraud hotline. HMRC will not hesitate to take action against those found to be abusing the scheme.



Chartered Accountants and Registered Auditors

James Todd & Co is the trading name of James Todd & Co Limited, Registered Office:
1&2 The Barn, Oldwick, West Stoke Road, Lavant, Chichester, West Sussex, PO18 9AA.
Registered No. 07350649 in England. Registered to carry on audit work in the UK and Ireland
and regulated for a range of investment business activities by the Institute of Chartered
Accountants in England and Wales. A member of the ICAEW Practice Assurance Scheme.

Lavant Office
1&2 The Barn, Oldwick
West Stoke Road
Chichester, West Sussex
PO18 9AA

Chichester Office
16 Northgate
Chichester
West Sussex
PO19 1BJ

t: 01243 776938

e: info@jamestoddandco.co.uk

w: www.jamestoddandco.co.uk

UPDATE - Self Employed Income Support Scheme (SEISS) – Second Grant

Individuals can continue to apply for the first SEISS grant until 13 July. Under the first grant, eligible individuals can claim a taxable grant worth 80% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £7,500 in total. Those eligible have the money paid into their bank account within six working days of completing a claim.

Applications for the second grant will open in August. Individuals will be able to claim a second taxable grant worth 70% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £6,570 in total.

The eligibility criteria are the same for both grants, and individuals will need to confirm that their business has been adversely affected by coronavirus. An individual does not need to have claimed the first grant to receive the second grant, as they may only have been adversely affected by COVID-19 in this later phase. Further guidance on the second grant will be published on Friday 12 June.

R&D Allowances

Whilst the initial reaction might be that this is very far from client's minds right now, if your business has incurred any costs associated with Research and Development then you could be entitled to a reduction in your Corporation Tax liabilities, with the possibility of going back to previous years and claiming a tax refund to help during this difficult time. If you think this might be an option for you then please contact us for further guidance on the matter.

Premium Credit

For those of you who owe past or recent fees to us we understand that payment in full may now become difficult. It would really help us to continue to operate if you would consider spreading the payment through our instalment facility. This will help you to spread the cost and help us to maintain sufficient cash-flow to keep as many staff operational as possible.

Through Premium Credit we are able to help our clients fund payment of our fees over period ranging from 6 to 12 months for a comparatively small finance charge. If this is something you would like to explore or setup then please feel free to contact us. The rates are as follows:

6 Months:	3.25% transaction fee plus £5 admin charge
10 Months:	5.25% transaction fee plus £5 admin charge
12 Months:	6.25% transaction fee plus £5 admin charge

To initiate this please contact victoria@jamestoddandco.co.uk and she will be happy to help to sort this out.

Fee Protection Cover – Additional Services

It is worth reminding those clients who have taken up our Fee Protection Cover that this also comes with a range of additional advice services, such as employment and commercial law, and health and



Chartered Accountants and Registered Auditors

James Todd & Co is the trading name of James Todd & Co Limited, Registered Office:
1&2 The Barn, Oldwick, West Stoke Road, Lavant, Chichester, West Sussex, PO18 9AA.
Registered No. 07350649 in England. Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. A member of the ICAEW Practice Assurance Scheme.

Lavant Office
1&2 The Barn, Oldwick
West Stoke Road
Chichester, West Sussex
PO18 9AA

Chichester Office
16 Northgate
Chichester
West Sussex
PO19 1BJ

t: 01243 776938

e: info@jamestoddandco.co.uk

w: www.jamestoddandco.co.uk

safety, which can be accessed via telephone and email using the details in your renewal documents. If you need any help with these please feel free to contact us using victoria@jamestoddandco.co.uk.

Continuity of Service at James Todd & Co

The James Todd & Co internal platform is cloud hosted and all members of our team have the ability to work away from the office. We have therefore made the decision to temporarily close the offices to all clients and non-essential staff until further notice. Bookkeeping and accounting records can still be delivered to our Lavant office but we would ask that this be prior appointment only, so that no journey is wasted. We will let you know as soon as our offices are open, but we will be continuing to work in our full capacity and ensure that all deadlines are met.

Email communication should remain fully operational and we will be diverting our telephone systems so that incoming calls can be dealt with.

We are dealing with an unprecedented level of queries at the moment and we appreciate your understanding at this time. We would recommend emailing queries where at all possible, particularly in relation to bookkeeping and payroll, as it will enable us to answer all queries more efficiently.



Chartered Accountants and Registered Auditors

James Todd & Co is the trading name of James Todd & Co Limited, Registered Office:
1&2 The Barn, Oldwick, West Stoke Road, Lavant, Chichester, West Sussex, PO18 9AA.
Registered No. 07350649 in England. Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. A member of the ICAEW Practice Assurance Scheme.

Lavant Office
1&2 The Barn, Oldwick
West Stoke Road
Chichester, West Sussex
PO18 9AA

Chichester Office
16 Northgate
Chichester
West Sussex
PO19 1BJ

t: 01243 776938

e: info@jamestoddandco.co.uk

w: www.jamestoddandco.co.uk