

## EDITION 8

Following the outbreak of COVID-19 in the UK we want to keep clients up to date with measures available to assist them during this time. This is a general update on matters as they arise or change, and we would recommend that anyone who has any specific queries get in touch with us. We will also provide further regular updates and communication through the coming weeks.

### HMRC Furlough Portal

In their latest update, HMRC have confirmed that the Furlough Portal for registering furloughed employees will be up and running on 20 April 2020. The only way to make a claim is online, with HMRC promising the service will be “simple to use and any support you need available on gov.uk”. This includes calculators to work out the amount you can claim.

The claim can be made by the employer themselves or by their registered agent (i.e. James Todd & Co for those who use our payroll services). HMRC cannot answer any questions directly from employees and they will need to raise these with their employer.

HMRC have promised that claims will be paid within 6 working days.

HMRC have given details which have been confirmed about how the registration process will work:

- If you have fewer than 100 furloughed staff you will be asked to enter details of each employee you are claiming for directly into the system - this will include their name, National Insurance number, claim period and claim amount, and payroll/employee number (optional).
- If you have 100 or more furloughed staff you will be asked to upload a file with the information rather than input it directly into the system. HMRC will accept the following file types: .xls .xlsx .csv .ods. The file should include the following information for each furloughed employee: name, NI number, claim period and claim amount, payroll/ employee number.
- You should retain all records and calculations in respect of your claims.

In order to qualify for furlough you must meet the following criteria:

- created and started a PAYE payroll scheme on or before 19 March 2020
- enrolled for PAYE online
- a UK bank account

There have also been the following clarifications on furloughing:

- Individuals can furlough employees such as nannies provided they pay them through PAYE, and sent HMRC an RTI submission notifying a payment in respect of the employee on or before 19 March 2020.

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- Employers can claim for furloughed employees that were on their PAYE payroll on or before 19 March 2020 and which were notified to HMRC on an RTI submission on or before 19 March 2020. This means an RTI submission notifying payment in respect of that employee to HMRC must have been made on or before 19 March 2020. Employees that were employed as of 28 February 2020 and on payroll (i.e. notified to HMRC on an RTI submission on or before 28 February) and were made redundant or stopped working for the employer after that and prior to 19 March 2020, can also qualify for the scheme if the employer re-employs them and puts them on furlough.
- If an employee started unpaid leave after 28 February 2020, you can put them on furlough instead. If you put them on furlough then you should pay them at least 80% of their regular wages, up to the monthly cap of £2,500. If an employee went on unpaid leave on or before 28 February, you cannot furlough them until the date on which it was agreed they would return from unpaid leave.
- Grants will be prorated if your employee is only furloughed for part of a pay period. If they have been employed for less than a month, work out a pro rata for their earnings so far, and claim for 80%.
- Employers with full or part time employees on a salary can claim for the 80% of the employee's salary, as in their last pay period prior to 19 March 2020. If, based on previous guidance, you have calculated your claim based on the employee's salary as at 28 February 2020 (and this differs from their salary in their last pay period prior to 19 March 2020) you can choose to still use this calculation for your first claim.
- Where an employee's pay varies, if they have been employed for 12 months or more, you can claim the highest of either the:
  1. same month's earning from the previous year; or
  2. average monthly earnings for the 2019-2020 tax year.

If the employee has been employed for less than 12 months, the employer can claim for 80% of their average monthly earnings since they started work until the date they are furloughed.

## Salary Sacrifice Schemes

HMRC have now ruled that COVID-19 can now be considered a 'life event' (i.e. one of the permitted reasons to break a salary sacrifice arrangement mid-term), if the employment contract is updated accordingly. This means that employees can look change their remuneration to best suit them during the current crisis.

## 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

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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](mailto: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 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](mailto: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 to answer all queries more efficiently.



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