

## **PAYROLL UPDATE**

Following on from our earlier updates to clients who have undertaken our payroll service we now have more information in regards to processing reclaims for the Coronavirus Job Retention Scheme.

### **Reclaiming furloughed staff wages and employer costs**

The Coronavirus Job Retention Scheme (CJRS) online portal has been accepting submissions and we have now processed claims for March, April and May for those that have signed and returned the agreement form. If you are unsure if you have returned the form or having been waiting longer than six working days for the monies please contact [Kelly@jamestoddandco.co.uk](mailto:Kelly@jamestoddandco.co.uk). We would like to update you on this process and detail further information we need to be updated with in the coming months.

As you know reclaiming pay is separate process to the normal payroll submissions, it is this reason that it has taken so much additional time and resource for us to handle claims on behalf of clients and we thank you for your patience throughout this process.

In addition to the normal payroll process and submissions, we have been producing calculations, providing an increased amount of support and advice, sending CJRS claim agreement letters and submitting the claims separately once we have had the approval back.

Due to this extended process we ask you to provide payroll information as early as you can to us to enable the team to handle claims as quickly as possible. If there are any changes to employee status we ask you to let us know immediately, this includes the ending of furlough status and new employees being placed on furlough.

As we come to the end of version one of the scheme and move into version two the eligibility criteria and rules have changed, please see the below highlights:

- Staff must have been furloughed by 10 June to be eligible.
- From 1 July the scheme will allow part-time working
- The proposed changes also introduce a new limit to the number of staff who can be included on a claim. This will be based on the maximum staff ever included in any single pre 1 July claim
- From the 1<sup>st</sup> August Employers NI & Employers pension will no longer be covered by the scheme
- For July the grant will be available on the same basis as now (the lesser of 80% of pay and £2,500). The intention is that the government will reduce its contribution over

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**Chartered Accountants and Registered Auditors**

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the remaining months of the scheme – August to October – with a corresponding increase in the employer contribution.

- August - the CJRS will continue to pay 80% of wages
- September - the CJRS will pay 70% of wages while employers will take on the other 10%
- October - the CJRS will pay 60% of wages while employers will take on the other 20%
- Employees who were previously furloughed will be able to return to work on a flexible part-time basis.
- For those staff who are furloughed part-time, employers will be required to pay for the cost of the time staff are working. A grant will be available for the cost of their furloughed hours.
- A new minimum reporting period of one week will apply from 1 August 2020. More frequent claims will not be accepted, but the reporting period can be longer.
- CJRS V2 will end on 31 October 2020.

They will be releasing final details of how the new calculation structure will work on the 12<sup>th</sup> of June, so please bear with us as we adjust our calculations as quickly as we can.

The portal for month end June submissions opens on Wednesday 17<sup>th</sup> June and in order to receive the furlough payment by month end the claim must be submitted by the 23<sup>rd</sup> June. If your payment date is prior month end then we need to make the submission at least six working days before your payment date. Please ensure you get all payroll information over to your payroll administrator as soon as possible, we need to ensure there is sufficient time to process, calculate, gain the agreement and file online to avoid any delays in receiving your payment.

If you have any questions relating to any of the information contained in this update, please contact Kelly O’Leary – [kelly@jamestoddandco.co.uk](mailto:kelly@jamestoddandco.co.uk)



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