

## PAYROLL UPDATE 6

From the 1<sup>st</sup> of July Version 2 of The Coronavirus Job Retention Scheme (CJRS) will be in effect and the government has set out the new guidelines and updates as below.

From 1 July, you will:

- Only be able to claim for employees who have previously been furloughed for at least 3 consecutive weeks taking place any time between 1 March 2020 and 30 June 2020.
- Be able to flexibly furlough employees – this means you can bring your employees back to work for any amount of time, and any work pattern.
- Still be able to claim the 80% grant for the hours your flexibly furloughed employees do not work, compared to the hours they would normally have worked in that period.
- From 1<sup>st</sup> August, the level of the grant will be slowly reduced. No grant will be available for Class 1 employer NICs or pension contributions from this date, although these contributions will remain payable by the employer.
- From 1<sup>st</sup> September, you will also be asked to contribute towards the cost of your employees' wages to ensure they continue to receive at least 80% of their wages for the time they are furloughed and not working. The government currently states this will be 10% from September and 20% from October
- Claim periods starting on or after 1 July must start and end within the same calendar month and must last at least 7 days unless you're claiming for the first few days or the last few days in a month. You can only claim for a period of fewer than 7 days if the period you are claiming for includes either the first or last day of the calendar month, and you have already claimed for the period ending immediately before it.
- You can only make one claim for any period so you must include all your furloughed or flexibly furloughed employees in one claim even if you pay them at different times.
- When claiming for employees who are flexibly furloughed you should not claim until you are sure of the exact number of hours they will have worked during the claim period.
- The claim periods must follow on from each other with no gaps in between the dates.
- Claims for periods ending on or before 30 June 2020 must be made by 31 July 2020 as HMRC will not allow you to backdate after the 31 July
- CJRS V2 will end on 31 October 2020.

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**Chartered Accountants and Registered Auditors**

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You will still need to pay employer National Insurance and pension contributions on furloughed employees' pay, for claims ending before 1 August 2020 you can claim for these costs.

Please note that all correspondence to notify your staff of furlough changes and updates will need to be actioned directly by the company. Acas provide many templates you can use via their website at <https://www.acas.org.uk/>

### **Holiday**

The employer and employee can agree to vary holiday entitlement as part of the furlough agreement, however almost all workers are entitled to 5.6 weeks of statutory paid annual leave each year which they cannot go below.

If an employee usually works bank holidays then the employer can agree that this is included in the grant payment. If the employee usually takes the bank holiday as leave then the employer would either have to top up their usual holiday pay, or give the employee a day of holiday in lieu.

HMRC are constantly keeping this under review, their website will always have the latest guidance.

### **Calculations**

The new way to calculate the job retention scheme is extremely complex so please do bear with us in this challenging time.

Every company will be different and there are many different factors to consider. We may have some additional questions to ask you to ensure we have all the different elements recorded correctly in your claim.

If you would like to see the full detail of how each claim is required to be calculated, please follow this link: <https://www.gov.uk/guidance/steps-to-take-before-calculating-your-claim-using-the-coronavirus-job-retention-scheme#deciding-the-length-of-your-claim-period>

### **HMRC contact scams**

We have been contacted by a few clients to say they have received emails or texts from HMRC requesting further information. There are many scams out there so please be careful. Please note for those claims we have submitted on your behalf HMRC have us as a contact and would not contact you directly.

HMRC's advice is that you forward any suspicious emails to: [phishing@hmrc.gov.uk](mailto:phishing@hmrc.gov.uk)  
Please do also feel free to check with Kelly at [kelly@jamestoddandco.co.uk](mailto:kelly@jamestoddandco.co.uk)

### **Record keeping requirements**

You must keep a copy of all records for 6 years, including:

- The amount claimed and claim period for each employee
- The claim reference number for your records
- Your calculations in case HMRC need more information about your claim

- Usual hours worked, including any calculations that were required, for employees you flexibly furloughed
- Actual hours worked for employees you flexibly furloughed

**A reminder for this month's claims:**

The portal for month end June submissions opens on Wednesday 17<sup>th</sup> June and in order to receive the grant by month end the claim must be submitted by the 23<sup>rd</sup> June.

If your payment date is prior to the month end then we need to make the submission at least six working days before your payment date in order for the funds to be in your account in time.

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 please contact your payroll administrator or Kelly O'Leary – [kelly@jamestoddandco.co.uk](mailto:kelly@jamestoddandco.co.uk)

Please be aware that the government is constantly reviewing and updating various parts to the CJRS and therefore the above may be subject to change.

We will of course do everything we can to keep you updated and we thank you for your continued patience during this busy time.



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