



Job Retention Scheme

9th April 2020



Introductions

Key contacts



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UK Government on COVID 19

Coronavirus Job Retention Scheme

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Overview of the scheme:

- Support to businesses who are unable to retain employees as a result of COVID-19
- Employees are classified as being furloughed workers, and must be notified of the change
- Employees remain on payroll rather than being laid off, thus their contract continues, and they remain employed
- Employers can claim a grant of up to 80% of wages for all employment costs, up to a cap of £2500 per month
- Claims will be processed through a new HMRC portal
- Employee must NOT undertake work during furlough
- Employer can fund the difference and top up
- Furlough periods must be a minimum of 3 consecutive weeks

Who can claim?

- All employers are eligible to claim under the scheme, although it is expected that the public sector will use the scheme less.

How to make a claim?

- HMRC online portal (currently not available)
- Claims can be backdated to 1st March 2020
- Claims should be made using the amounts in your payroll, reduced to 80%

What happens after you submit claim?

- HMRC will check your claim, and if eligible pay it to you by BACS to a UK bank account
- Employees should receive all the grant you receive for their gross pay

What you need to make a claim?

- Your Epaye reference number
- The number of employees being furloughed
- The claim period (start and end date)
- Amount claimed (per minimum of 3 consecutive weeks)
- Bank account and sort code
- Contact name and number

What can you claim?

- 80% of employee's wages, up to a maximum of £2500
- Minimum automatic enrolment employer pension contributions on the subsidised wage
- National Insurance and pension contributions still need to be paid, and this can be claimed for
- Past overtime, fees and compulsory commission

What you cannot claim for:

- Discretionary bonuses, tips and commission payments
- Non-cash payments
- Benefits in kind and Salary sacrifice schemes

Salaried employees:

- 80% of the employee's salary, as of 28th February 2020, before tax.

Employee who receive variable pay:

- Employee employed for 12 month or more the higher of either:
 - Same months earnings from previous year
 - Average monthly earnings for the 2019/2020 tax year
- Less than 12 months service – claim for 80% of average monthly earnings since their start date

National Minimum Wage

- Furloughed workers can be paid the lower of 80% of their salary or £2500, even if based on their usual working hours this would bring them below minimum wage

Who can be furloughed?

Employees must be furloughed in line with their employment contract.

- Employees that were on your PAYE payroll on or before 28 February 2020
 - Full time, part time, agency, zero hour contracts, foreign nationals, apprentices
- Office holders, salaried members of LLP's, agency workers and limb (b) if they are paid via PAYE.

Where else does furlough apply?

- Employees who were made redundant, or stopped working, on or after 28th Feb
- Employees on a fixed term contract
- Employees with more than one job
- Employees with caring responsibilities or shielding employees
- Employees whose SSP has come to an end
- Employees on unpaid leave (if commenced after 28th Feb)

Where furlough does not apply?

- Employees working reduced hours
- Employees on SSP
- Employees on maternity / paternity / adoption leave

Working, training and volunteering whilst furloughed

- Employees cannot conduct work for employers who have furloughed them
- If contractually allowed, employees can work for another employer
- Employees can complete training or volunteer work for the employer that has furloughed them
 - Those on NMW will need to be paid at least NMW if they complete any training hours

Taking holiday whilst on furlough

- Holiday can be taken without breaking a period of furlough
- It should be paid at full pay
- Carry over of holiday – new temporary law introduced
- Where employers wish to enforce or cancel holiday you must provide sufficient notice
- Employees may request to cancel holiday



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