

COVID-19**Coronavirus briefing, helpful advice and tips –****9th November 2020**

The Government announced on 5 November that it is providing further support to businesses this winter, with an extension to the Coronavirus Job Retention Scheme (CJRS). It has also increased the third income support grant for the self-employed.

Coronavirus Job Retention Scheme (CJRS) extended until 31 March

The CJRS, or furlough scheme as many call it, will now remain open until 31 March 2021. There is no gap in eligibility between the previously announced end-date of CJRS (31 October) and this extension. The extended CJRS scheme provides support from 1 November.

While the extended CJRS will enable businesses to claim either shortly before, during or after running payroll, employers logging into their HMRC portal to make a claim for November will not be able to do so before 8 am on 11th November.

Unfortunately, this means employers operating weekly payrolls will need to cover the cost of furloughed employees' wages until the portal opens for November claims. Claims made for November must be submitted to HMRC by no later than 14 December 2020. Claims for November 2020 month onwards have to be submitted within 14 days.

What are the rules?

- The Government scheme will provide employees with 80% of their current salary for hours not worked. This is capped at £2,500 per employee, per month and will be reviewed in January.
- There is no employer contribution required to wages for hours not worked. Employers will have to cover the costs of national insurance and employer pension contributions for hours not worked.
- Employers can top up employees' wages should they wish.

Who is eligible?

- Employees will only need a 7-day qualifying period, rather than the 21 days required previously.
- The scheme includes all employees who were employed and on the PAYE Real Time Information (RTI) submission on or before 30 October 2020. The employer must have made an RTI submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.
- There is no requirement for the employee to have been included in a previous CJRS claim.
- Employers don't have to have submitted a CJRS claim before to be eligible.
- Employees can be fully or flexi-furloughed under the extended scheme.

- Employers will be able to re-employ and furlough employees who have been made redundant or stopped working. This will be possible provided the former employee was included on an RTI submission to HMRC from 20 March to 23 September, and was made redundant or stopped working for the employer after 23 September.

What you need to check

- If employers are thinking of using the scheme for the first time, or for employees not previously furloughed, they will need to ensure that a new furloughing agreement is in place with the employee.
- Employers who have previously used the scheme should consider whether the agreements used previously remain valid. Check whether the agreement was time limited or open ended: if the agreement was time limited to 31st October or earlier, employers will need to update their agreements.
- If an employee has returned to working their usual hours since a period of furlough and the employer has written to them to say they're no longer subject to the furlough agreement, they will probably need a new furlough agreement.

Job Retention Bonus

This will no longer be paid in February 2021 as CJRS will be available at this time. At the appropriate time an alternative incentive will be put in place.

Please contact us if you would like any further guidance on these issues or a chat about other ways to protect your business.

Best wishes

The FirmValue Payroll Team