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# ALLENACCOUNTS

## **Coronavirus Job Retention Scheme (CJRS)**

Following previous bulletins covering the recent extension of the CJRS we thought it might be helpful to highlight some of the key aspects of this third version of the scheme and answer some commonly asked questions.

### **Eligibility**

The CJRS as re-engineered from 1 November allows businesses to furlough and claim grants for an additional group of employees.

The earlier versions of the CJRS (ending 31 October 2020) required an employee to have been employed and an RTI submission to have been made on or before 19 March 2020.

Claims for periods starting on or after 1 November 2020 can include individuals employed at 30 October 2020 provided an RTI submission has been made between 20 March 2020 and 30 October 2020 notifying at least one payment of earnings for that employee. New employees hired in late spring and summer can now be eligible for furlough grants.

There is no requirement for either employers or their employees to have used the scheme before to be eligible for periods from 1 November 2020.

For full eligibility criteria please go to <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

## **Employment Agreements**

Employers should remember to change the terms of employment contracts by agreement before furlough starts as this will be needed for new furlough arrangements. The employee does not have to provide a written response.

Please note that because of the rush to have everything in place for this new CJRS in early November it was possible to use retrospective agreements. However, HMRC have said that only retrospective agreements put in place up to and including 13 November 2020 can be relied on for the purposes of a claim under this new version of the CJRS.

#### What can employers claim for periods starting from 1 November 2020?

For employees on fixed pay, the claim is based on 80% of the usual salary/wages in a reference period.

The reference period is the last pay period ending on or before 19 March 2020 for employees who:

- were on the payroll on 19 March 2020 (i.e. there had been a payment of earnings in the tax year 6 April 2019 to 5 April 2020, reported on an RTI submission made on or before 19 March 2020); or
- for whom you have made a valid CJRS claim in a period ending on or before 31 October 2020.

For all other employees, the reference period is the last pay period ending before 31 October 2020. This can produce some unexpected results.

#### **How Long Will Support Remain at 80%?**

From 1 November 2020 the UK Government will pay 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month. Employers must bear the cost of employers' NIC and pension contributions. The UK Government has said it will review the policy in January for claims for February and March.

#### **Increased Publicity**

HMRC has said it intends to publish details of employers who use the scheme for claim periods from December 2020 onwards. It will publish the employer name and also, where relevant, the company registration number.

Employees will be able to find out if their employer has claimed for them under the scheme. It

has not yet been confirmed how employees will be able to obtain this information.

### **Shorter Deadlines**

There are now shorter deadlines for submitting monthly claims. Claims for periods starting on or after 1 November must be submitted within 14 calendar days after the month they relate to, unless this falls on a weekend, in which case the deadline is the next week-day. However:

- A claim once made can be increased provided it is amended within 28 calendar days of the end of the month it relates to (note that if you have overclaimed, this extension doesn't apply); and
- It is also possible to claim after the deadline if there is a reasonable excuse.

[For further details please go to GOV.UK and search 'Claim for wages through the Coronavirus Job Retention Scheme'.](#)

### **Other**

- You can save and continue a claim within seven days of starting it.
- You can delete a claim within 72 hours of submitting it.
- Claim periods must start and end within the same calendar month.
- The claim period must usually be for a minimum period of seven days – the exception is for the first and last few days in a calendar month. However, flexible furlough agreements can last for any amount of time.
- Employees can take holiday while on furlough, but if flexibly furloughed, holiday hours count as furloughed hours rather than working hours.

The Team at Allens



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