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Coronavirus Job Retention Scheme (CJRS)

The extension of the CJRS to next March was announced last week and more details of how it will be implemented have now been released.

In particular HMRC published their guidance on 10 November 2020

<https://www.gov.uk/government/collections/coronavirus-job-retention-scheme>

This is very detailed and impossible to summarise, albeit we have endeavoured to highlight the key points below.

ACAS have also updated their guidance and template

letters; <https://www.acas.org.uk/coronavirus/furlough-scheme-pay>

As a reminder we will be calculating and submitting claims for all clients with furloughed workers who use our payroll service. Please speak to your usual contact if you have any queries.

Key Features of Scheme from 1 November 2020

- The CJRS has been extended to 31 March 2021 for all parts of the UK.
- From 1 November 2020 to 31 January 2021 employees will receive 80% of their usual salary for hours not worked, up to a maximum of £2,500 per month. The £2,500 cap is proportional to the hours not worked. The Government will review the policy in January.
- Employers may top-up employee wages at their own expense if they wish

- Employers do not need to have used the CJRS previously.
- Employers can claim whether their businesses are open or closed.
- Employees do not need to have been previously furloughed under the CJRS.
- Employees cannot undertake any work for their employer during the hours that the employer records them as being on furlough; but they can undertake training, work for another employer (if contractually allowed) and volunteer.
- To be eligible employers must have confirmed to their employee in writing that they have been furloughed or flexibly furloughed. The employee does not have to provide a written response.
- Employers can claim for employees who were employed and on their PAYE payroll on 30 October 2020.
- A Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made between 20 March and 30 October 2020.
- Employees that were employed and on the payroll on 23 September 2020 who were made redundant or stopped working for their employer afterwards can be re-employed and claimed for.
- Employers will have flexibility to use the scheme for employees for any amount of time or shift pattern, furloughing employees on either a full-time or part-time basis, and will be able to vary the hours worked in agreement with the employee.
- There is no minimum furlough period. Flexible furlough agreements can last any amount of time. Employees can enter into a flexible furlough agreement more than once.
- Employers will have to cover all employer National Insurance and pension contributions.
- Employers will have to pay the employee's wages for the hours they work as normal.
- Employees can be furloughed where they are unable to work because they:
 - are shielding in line with public health guidance (or need to stay at home with someone who is shielding); or
 - have caring responsibilities resulting from coronavirus, including employees that need to look after children
- The CJRS is not intended for short-term sick absences.
- Publicly funded organisations should not use the scheme. Partially

publicly funded organisations may be eligible where their private revenues have been disrupted.

- From December HMRC intend to make public a list of employers who use the scheme, and employees will be able to find out if their employer has claimed for them under the scheme.
- There are now monthly deadlines for claims. For example, claims relating to November 2020 must be made by 14 December 2020.
- A new calculator was published on 9 November and can be found at: <https://www.tax.service.gov.uk/job-retention-scheme-calculator/start>
- The claims portal went live yesterday, Wednesday 11 November 2020 <https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>
- To calculate how much can be claimed it is necessary to work out:
 - The length of the claim period – this must start and end within the same calendar month and must last at least 7 days (unless straddling a month end)
 - What you can include when calculating wages – this is the same as previously (regular wages and non-discretionary payments including overtime)
 - The employees' usual hours and furloughed hours
- HMRC has confirmed that the claims portal process remains the same (subject to content reflecting November date ranges).
- After claiming, HMRC will check the claim is correct and aim to pay the claim amount by BACs into the company bank account within six working days.

As a reminder, the closing date for claims under the old CJRS scheme up to and including 31 October remains 30 November 2020. Claims for periods up to 31 October will not be accepted after 30 November.

The Job Retention Bonus will no longer be paid in February 2021 and an alternative retention incentive will be put in place at the appropriate time.

The launch of the Job Support Scheme has also been postponed.

Business Grant Schemes Designed to Provide Support in and out of Lockdown

There are a number of business grant schemes available that cover different periods of time and different situations, such as being under national lockdown.

Stockport Council currently has two live business grant schemes – both are designed for businesses that have a business rates liability and to cover the following circumstances:

1. For the period when in Tier 3 from 24/10/2020 to 04/11/2020 – link to guidance and applications is <https://www.stockport.gov.uk/support-for-businesses-and-employers>
2. For the period of national lockdown from 05/11/20 – link to guidance and applications is <https://www.stockport.gov.uk/support-for-businesses-and-employers/local-restrictions-support-grant-5th-november>

Stockport Council will also be offering business grants under a discretionary scheme. Details of this scheme are currently being finalised and will be published and open for applications shortly.

The Team at Allens



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