

Coronavirus Job Retention Scheme (March 2020)

Following the governments special measures for businesses, there has been an update on the scheme released this month.

[Full details can be found here](#)

Key Points

- You can claim for furloughed employees who were on your payroll on 28 February 2020. **Employees hired after 28 February cannot be furloughed or claimed for under the rules of the scheme.**
- Employees who are furloughed must be written to confirming they have been furloughed and retain copies of this. Clarification has been made that an employee cannot undertake work for or on behalf of your organisation whilst on furlough.
- Claims can be for a minimum of three weeks and a maximum of three months, but this may be extended
- Employees on sick leave or self isolating continue to receive SSP where applicable, but you can furlough them when the sickness period ends. Other statutory leave continues as normal.
- Employees who are shielding in line with Public Health guidance can be placed on furlough.
- The employees wage will be subject to the usual PAYE and other deductions.
- Employees on reduced hours or reduced pay are not eligible for this scheme and will have to be paid through the payroll as normal.
- HMRC will retain the right to retrospectively audit all aspects of your claim.

What you can claim

- The lower of 80% of the regular wage or £2500 per month, plus employers NI and minimum employers Auto Enrolment Pension.
- This is on the employees basic wage, bonuses fees and commission are not included.
- The salary as of 28 February should be used to calculate the 80% for full and part time employees.

Employees receiving variable pay are calculated:

Employed over 12 months:

The higher of the same months earnings from the previous year or
The average monthly earnings from 2019/20 tax year

Employed less than 12 months:

The average monthly earnings since they started work

Employers National insurance and Auto Enrolment Employers Pension(3% above the £512 to 05 April, £520 from 06 April) are then calculated on the gross.

To Make a Claim

Whilst you are not yet able to make a claim the following information has been stated as being require:

- your ePAYE reference number
- the number of employees being furloughed
- the claim period (start and end date)
- amount claimed (per the minimum length of furloughing of 3 weeks)
- your bank account number and sort code
- your contact name
- your phone number

You can only submit a claim once every 3 weeks, but the claim can cover a longer period, and can be backdated to 01 March 2020 if applicable.

Once the claim is made and HMRC deem you are eligible for the grant they will pay it into a UK bank account.

The claim be made in accordance with actual payroll amounts at the point at which you run your payroll or in advance of an imminent payroll.

The payments are subject to PAYE, NI and Pension where applicable.

There is still clarification required on the portal and reporting the information to HMRC, but the new information provided should enable you to start collating information ahead of this, ready to claim if this is applicable to your business.