

# Coronavirus Job Retention Scheme FAQs

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This guidance sheet is intended to provide answers to some of the many questions that we are receiving in regard to the Coronavirus Job Retention Scheme. We will update this guidance document regularly and keep updated answers on our website.

## What is the Coronavirus Job Retention Scheme?

The Coronavirus Job Retention Scheme is a 'temporary' scheme open to Employers for at least 4 months (with the potential to be extended dependent on the pandemic situation) starting on 1<sup>st</sup> March 2020.

It is designed to support Employers who have been severely affected by COVID-19. There is no financial limit on what Employers can claim (but there is a cap for how much can be claimed *per Employee* which is £2500).

## Who does the Scheme cover?

Employers will have to apply through an HMRC portal (opened on the 20<sup>th</sup> April 2020) for a **grant** to cover wages for their Employees. It will cover 80% of the wages of retained Employees to a maximum of £2500 per month **plus** Employer's National Insurance Contributions and Employer's minimum auto-enrolment Pension Contributions of 3%.

## What are the eligibility criteria for Employers?

The Scheme is open to all UK Employers, there is no limitation on size or number of employees. The only eligibility criteria that must be met are:

- The Employer must have created and started a PAYE payroll scheme on or before 19<sup>th</sup> March 2020.
- This must include registration for an e-PAYE account.
- They must have a UK bank account for business transactions.

Where a company is in administration, the administrator will be able to access the Scheme on behalf of those Employees.

## What are the eligibility criteria for Employees?

All Employees who are subject to PAYE are eligible for the Scheme, as long as:

- The Employee was on the PAYE payroll on or before 19<sup>th</sup> March 2020.
- The Employee is being furloughed for their full-time hours, as you cannot furlough an Employee on reduced hours.
- There is no work available for the Employee (as they cannot work for you while they are furloughed).
- The Employee has agreed to be furloughed (an Employer cannot enforce furlough leave, there must be a contractual agreement).
- The Employee was not on unpaid leave prior to the 19<sup>th</sup> March 2020.
- The Employee is not drawing on a statutory benefit, such as sick pay or maternity pay etc.

Employees that can be furloughed include:

- The following contract types: full time, part time, Agency, fixed term, variable hours or flexible and zero hours. Foreign nationals are also eligible.
- Employees made redundant (or terminated) that stopped working for you on or after 19<sup>th</sup> March 2020, can be re-employed and furloughed (at your discretion).
- Employees that are struggling with childcare or caring arrangements due to the virus.
- Employees shielding (but not those who are self-isolating).
- Employees who started unpaid leave after 19<sup>th</sup> March 2020.

Individuals (who are not Employees) who can be furloughed:

- Office holders, including Company Directors – although there is some additional compliance in this respect.
- Salaried members of Limited Liability Partnerships (LLPs).

### What should Employers be aware of before using the HMRC portal?

The HMRC portal has 14 separate screens that you must move through within 30 minutes – there is no ‘save’ facility so if the portal times out you will have to start again.

It is important to have the following information at your fingertips prior to starting:

- The total number of Employees to be furloughed.
  - If this number exceeds 100 Employees, then you can upload an Excel spreadsheet to the system instead.
  - You will need to create a file with the following columns completed:
    - Full Name
    - National Insurance number
    - Payroll number (or PAYE scheme reference number)
    - Furlough start date
    - Furlough end date (if known – if you want to continue for the period of the furlough Scheme then leave this blank)
    - Full amount claimed for each individual Employee, remembering the £2500 cap per individual.
- The dates Employees have been furloughed to and from (you can leave the end date blank if you want the Employee to remain furloughed for the length of the Scheme).
  - Please note: Employee’s must be furloughed for a minimum of three weeks at a time.
- For each Employee: Full Name, National Insurance number, PAYE scheme reference number and amount being claimed for (per pay period).
- Your Corporation Tax Unique Taxpayer Reference or Self-Assessment Unique Taxpayer Reference.
- Your Company Registration Number.
- Your UK bank account details including the registered address.
- Your Company’s registered name and address.
- Your contact details.

The process is time-consuming as well as being time-limited, so having this together in advance on a spreadsheet or similar document will be beneficial as it will save looking through lots of documents.

When making your claim, you can claim retrospectively from the 1<sup>st</sup> March 2020 as well as for the month of April, however, please note: you can only claim 3 weeks in advance of the current date. Basically, you will be claiming for a “pay period”, so if you pay monthly then you will retrospectively claim for that months payments – there appears to be no way of setting a claim for future pay periods as of yet, so each month you will have to repeat this process until the 30<sup>th</sup> June 2020 (the current date the Scheme is due to end).

Once your claim has been accepted by HMRC, you should receive a payment into the bank account you registered within 6 working days.

### **TOP TIPS: How can I make the Scheme work for my business?**

Obviously, every business is different, and we encourage you to speak to the Greenburn team directly to discuss your specific requirements. However, some of the Top Tips for making furlough work for you are:

#### *Rotating Employees on Furlough Leave*

As long as your Employees are furloughed for a minimum of 3 weeks at time, there is no problem with you rotating them on and off of the Scheme. This allows every Employee to be furloughed, it allows you to vary the number of Employees furloughed throughout the coming months to respond to work requirements and it keeps Employees engaged and involved in the business.

A great way of balancing your duty of care for your Employees mental health and maintaining sustainable team morale.

#### *Roll out new training or encourage volunteering/working for a Partner business.*

Employees can continue to complete training while on furlough – all that needs to happen is that the Employer ensures they are paid their full wage for those training hours e.g. top up that 80%. So, this may be the perfect opportunity to invest in some learning and development for those Employees while they’re not at work.

Furloughed Employees can also volunteer for other businesses or even take on temporary contracts, the only thing that needs to happen with this is that the Employee tells you so you can agree the new job or they can take on another job outside of their normal contractual hours with you without your permission.

If you have any businesses you work closely with, such as essential business in agricultural, you may be able to direct your Employees to support these Partners. Strengthening your working relationship with that business as well as keeping your Employees active during a strange and stressful period.

#### *Manage your Employee’s holiday entitlements.*

Your Employee’s are going to continue accruing holiday while they are furloughed, thankfully the government has increased the carryover allowance (4 weeks over the next 2 years – 2021/2022) so you can organise some additional carryover if necessary.

Otherwise, you could still ask your Employees (while on furlough) to take their annual leave – this would just require you to ensure you pay your Employees their full wage for those holiday days i.e. top up the 80%. The one thing that is important is that your don’t have all your Employees trying to book holiday in the Autumn when “normal” trade resumes – so at this stage you can:

1. Put down holiday restrictions e.g. number of days.
2. Put down holiday bans e.g. restrict or flat-out ban holiday within certain weeks.
3. As the Employer you are entitled to manage your Employees holiday as you see fit, so you can start booking and rotating holidays for your Employees now. The only restriction is that you must give

your Employee as much notice as the holiday you expect them to take e.g. for 5 days holiday, 5 days' notice must be given.

4. Close your operations for a day or week, reduce your customer service down as much as possible and push all your Employees onto holiday for the time period.

*For more tips and information, please visit our website at [www.greenburn.co.uk](http://www.greenburn.co.uk) or speak to us directly by emailing [gail@greenburn.co.uk](mailto:gail@greenburn.co.uk).*