

Mitchell Holt & Co

Chartered Accountants

Extension of Coronavirus Job Retention Scheme

(Updated 2 November 2020)

In light of the increased restrictions needed to curb the coronavirus pandemic, the UK government is introducing additional economic measures to support you and your employees.

Latest changes that may impact you

The Coronavirus Job Retention Scheme (CJRS), which was due to end on 31 October, will now be extended, with the UK government paying 80% of wages for the hours furloughed employees do not work, up to a cap of £2,500 for periods from 1 November.

You will need to pay all employer National Insurance Contributions (NICs) and pension contributions. You can choose to top up your furloughed employees' wages beyond the 80% paid by the UK government for hours not worked, but you are not required to do so.

There will be no gap in support between the previously announced end date of CJRS and this extension.

For more information and to be directed to the GOV.uk website [click here](#)

How will it work?

You will have flexibility to ask your employees to work on a part-time basis and furlough them for the rest of their usual working hours or furlough them full-time. You will have to cover their wages for any hours they work as well as all employer National Insurance and employer pension contributions.

You will be able to claim either shortly before, during or after running your payroll. There will be a short period initially when the online claims service will be closed for a system update, and you will be able to claim in arrears for that period.

Further details will be provided in the next few days.

How to check if your employees are eligible

You can claim for employees who were on your PAYE payroll on 30 October 2020. You must have made a PAYE Real Time Information (RTI) submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.

If employees were on your payroll on 23 September 2020 (i.e. notified to HMRC on an RTI submission on or before 23 September) and were made redundant or stopped working for you afterwards, they can also qualify for the scheme if you re-employ them.

Neither you nor your employee needs to have previously used the CJRS. Further details on eligibility will be provided in the next few days.

What you need to do now

- Check if your employees are eligible for the scheme, based on the information above.
- Agree working hours with your employees, so they know if they are furloughed fully or part-time during November.
- Keep the records that support the amount of CJRS grant you claim, in case HMRC need to check it. You can view, print or download copies of your previously submitted claims by logging onto your CJRS service on GOV.UK.

Job Support Scheme

The new Job Support Scheme, which was due to start on Sunday 1 November, has now been postponed.

CONTACT US

If you have any queries or need any advice, please do not hesitate to contact us on:

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