

# Mitchell Holt & Co

## Chartered Accountants

### Government issues new guidance on the job retention bonus

Employers will be able to apply for the Job Retention Bonus (JRB) between 15 February 2021 and 31 March 2021.

This one-off taxable payment to employers offers £1,000 for each eligible employee that was furloughed and kept continuously employed until 31 January 2021.

Any employer can submit a claim, as long as they have furloughed employees and made an eligible claim for them through the Coronavirus Job Retention Scheme (CJRS).

The JRB can be used alongside the new **Job Support Scheme**, which launches on 1 November 2020, where an employee was previously furloughed. Employers cannot claim the JRB for any employees where they have repaid all the CJRS grant amounts claimed for them – regardless of the reason why the grants were repaid.

#### Eligible employees

Employers can claim a payment for each employee that:

- they made an eligible claim for under the CJRS
- they kept continuously employed from the end of the claim period of their last CJRS claim until 31 January 2021
- is not serving a contractual or statutory notice period on 31 January 2021, including people serving a notice of retirement
- was paid enough in each relevant tax month and enough, overall, to meet the JRB minimum income threshold.

When processing a claim, HM Revenue & Customs (HMRC) will check that employees have been paid at least the minimum income threshold by checking the information submitted through Full Payment Submissions via Real Time Information (RTI).

HMRC has said that where they are still checking an employer's CJRS claims, they can still claim the JRB, but the payment may be delayed until those checks are completed.

Where an employer has made an incorrect CJRS claim and the employee was not eligible for the CJRS, HMRC will not pay the bonus.

Businesses can claim the JRB for individuals who are not employees, such as office holders or agency workers, as long as they claimed a grant for them under the CJRS and they meet the other JRB eligibility criteria.

The guidance also provides specific conditions for employees who have transferred under TUPE or due to a change in ownership, which can be found by [clicking here](#).

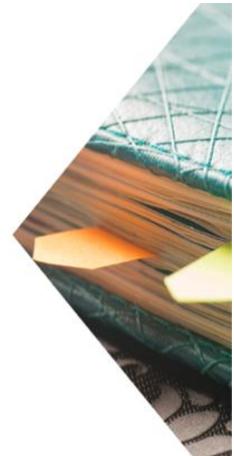
#### The minimum income threshold

To meet the minimum income threshold, an employer must have paid each employee a total of at least £1,560 (gross) throughout the tax months:

- 6 November to 5 December 2020
- 6 December 2020 to 5 January 2021
- 6 January to 5 February 2021

They must also pay an employee at least one payment of taxable earnings (of any amount) in each of the relevant tax months. The minimum income threshold criteria apply regardless of:

- the frequency employees are paid
- circumstances that reduced an employee's pay in the relevant tax periods, such as being on statutory or unpaid leave.



Only payments recorded as taxable pay will count towards the minimum income threshold. Examples of taxable pay can be found by [clicking here](#).

### Preparing to claim

Although employers cannot claim the bonus until 15 February 2021, there are steps that need to be taken now to help with the application process.

Before a claim can be processed, employers need to have reported all payments made to employees between 6 November 2020 and 5 February 2021 to HMRC through Full Payment Submissions via Real Time Information (RTI).

Employers must also

- still be enrolled for PAYE online
- comply with PAYE obligations to file PAYE accurately and on time under Real Time Information (RTI) reporting for all employees between 6 April 2020 and 5 February 2021
- keep their payroll up to date and make sure they report the leaving date for any employees that stop working before the end of the pay period that they leave in
- use the irregular payment pattern indicator in Real Time Information (RTI) for any employees not being paid regularly
- comply with all requests from HMRC to provide any employee data for past CJRS claims.

Employers have until 31 March 2021 to make a JRB claim, after which the scheme will close. No further claims will be accepted after this date. Additional guidance on the online claims process will be issued by the Government in January 2021.

HMRC has confirmed that where an employer uses an agent to manage their payroll and PAYE, they can claim the JRB on an employer's behalf. If you would like assistance managing and processing your payroll and claim in line with this guidance, please contact us.

### CONTACT US

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

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