


CJRS Changes & Flexible Furlough: What you need to know




Welcome to today's webinar







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Questions & Answers



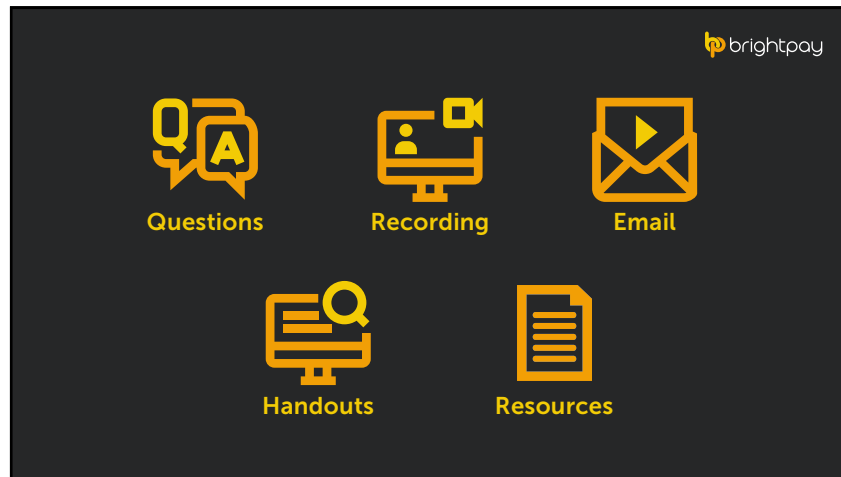
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CJRS Changes & Flexible Furlough: What you need to know


Furlough Scheme Wind Down: A Timeline of Changes

As the scheme winds down, employers will need to contribute to employees' wages over the coming months.

A Timeline of Changes

Employers could claim for:

- 80% of usual monthly wage costs (capped at £2,500)
- Associated Employer National Insurance contributions
- Minimum auto enrolment employer pension contributions




A Timeline of Changes

August 2020

Government will continue to pay 80% of wages (up to £2,500)

Employers are required to pay employer NI contributions & employer pension contributions




A Timeline of Changes

September 2020

Government will pay 70% of wages (up to £2187.50)

Employers must pay employer NIC & employer pension contributions

Employers are required to pay 10% of wages to make up the 80% (up to £2,500)




A Timeline of Changes

October 2020

Government will pay 60% of wages (up to £1,875)

Employers must pay employer NIC & employer pension contributions

Employers are required to pay 20% of wages to make up the 80% (up to £2,500)



A Timeline of Changes

Employers still have the option to top up employee wages above the 80% total and £2,500 cap

After 31st October, the government contribution will finish and the scheme will come to an end

This scheme's gradual wind down is more generous than expected



Job Retention Bonus Scheme



Additional Resource

All businesses can avail of a Job Retention Bonus for each employee brought back from furlough


£1,000 per employee if brought back from furlough for at least 3 months

Employee must earn at least an average of £520 per month within the 3-month period



Flexible Furlough - Employees Returning to Work Part-Time

The government has changed the scheme to become more flexible with employees returning to work part-time.




Flexible Furlough

Before July, furloughed employees could not undertake work for or on behalf of the organisation

From 1st July, businesses have the flexibility to bring employees back to work

Employers will still be able to claim under the CJRS for hours not worked




Flexible Furlough


The government will continue to pay 80% / 70% / 60% of wages for the hours not worked

Employers required to pay employees for the hours they do work

When working 2 days – employee must be paid as normal for 2 days & subsidy will cover the other 3 days



Flexible Furlough




Additional Resource

Employers will decide their employee's hours & shift patterns

Any changes to the working hour arrangements must be confirmed with the employee in writing

If employee not returning to work part time, they can continue to claim the grant for their full hours




Flexible Furlough

From 1 July, employers can only claim for employees who have previously been furloughed

The employee must have been furloughed for at least 3 consecutive weeks between 1 March and 30 June

Exception – employees returning from statutory parental leave



Flexible Furlough


Returning from statutory parental leave after 10 June – can furlough for the first time, provided:

- Previously submitted claim for any other employee
- Parental leave started before 10 June and returned after 10 June
- The employee was on your PAYE payroll on or before 19 March 2020



Calculating Flexibly Furloughed Employee's 'Usual Hours'

Employers need to submit data on flexibly furloughed employee's usual hours, actual hours worked, and furloughed hours.




Calculating 'Usual Hours'

If employee is **flexibly furloughed** you need to record & submit:

- The employee's usual hours
- The actual hours they worked
- Their furloughed hours

If employee is **fully furloughed** you do not need to work out usual hours and furloughed hours





Calculating 'Usual Hours'

Follow HMRC's guidance for those who work **variable hours** if:

- The employee is not contracted to a fixed number of hours
- The employee's pay depends on the number of hours worked

Follow HMRC's guidance for those who work a **fixed number of hours** if neither of these apply

 **Additional Resource**




Calculating 'Usual Hours'

a) Fixed number of hours & whose pay is not dependent on hours worked

Need to calculate the usual hours for each pay period (or part pay period) that falls within the claim period

If employee with fixed hours was on annual, sick leave or statutory leave, calculate as if leave was not taken




Calculating 'Usual Hours'

b) Where pay varies by the amount of time worked

Need to calculate the usual hours based on the higher of either:

- The average number of hours worked in the 19/20 tax year
- The corresponding calendar period in the 19/20 tax year

 **Additional Resource**

Calculating 'Usual Hours'



Employers are required to submit data on:

- The employee's usual hours
- The actual hours they worked
- Their furloughed hours

Number of furloughed hours will be the difference between their usual hours and the hours actually worked

BrightPay's Updated CJRS Claim Report



BrightPay's CJRS Claim Report has been updated to support flexible furlough and other changes to the scheme.

BrightPay's CJRS Claim Report



BrightPay provides two independent tools to assist users who have furloughed employees:


- A Furlough Pay Calculator
- A CJRS Claim Report

The Claim Report has been updated to support flexible furlough and other changes to the CJRS scheme

Key Changes to Making a CJRS Claim



The rules in relation to making a CJRS claim have changed from 1st July 2020.




Making a CJRS Claim

Consider your payroll frequency when deciding on your claim period

Claim periods must start and end within the same calendar month

Pay periods that span two calendar months must be broken down into two separate claims




Making a CJRS Claim

It's possible to make more than one claim in each month

All claims must last at least 7 days unless your claiming for the first few days or last few days of a month

These are known as 'orphan days' and in this instance a claim period can be shorter than 7 days




Making a CJRS Claim

You cannot make more than one claim during a claim period

Where furloughed continuously, the claim period must follow on with no gaps between the dates

Can only claim for employees who have previously been furloughed for at least 3 consecutive weeks



Making a CJRS Claim

The no. of employees you can claim for cannot exceed the max no. of employees claimed for previously

An exception is where an employee is returning from statutory parental leave after 10 June

In this instance, the no. of employees you're furloughing for the first time can be added to previous maximum



Making a CJRS Claim

You should receive the payment from HMRC within 6 working days

If you made an error resulting in an overclaimed amount, you can let HMRC know when making next claim

If you made an error resulting in an underclaimed amount, you need to contact HMRC to amend the claim



When the scheme ends...

When the scheme closes on 31st October, you must decide to either:

- Bring employees back to work on their normal hours
- Reduce employees' hours
- Terminate their employment

Normal redundancy rules apply to furloughed employees

Additional Resources

BrightPay's COVID-19 Resources Hub:

<https://www.brightpay.co.uk/pages/covid-19-resources>

Claim for wages through the Coronavirus Job Retention Scheme:

<https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>

HMRC Guidance: Work out your employee's usual hours and furloughed hours:

<https://www.gov.uk/guidance/steps-to-take-before-calculating-your-claim-using-the-coronavirus-job-retention-scheme#usual-hours>

BrightPay's CJRS Claim Report Guidance:

<https://www.brightpay.co.uk/docs/20-21/coronavirus-covid-19-guidance-for-brightpay-users/coronavirus-job-retention-scheme-claim-report-in-brightpay/>

Job Retention Bonus Scheme:

<https://www.gov.uk/government/publications/job-retention-bonus/job-retention-bonus>

Template Letter – Flexible Furlough:

http://www.brightpay.co.uk/guides/Letter_Regarding_Flexible_Furlough.docx



Questions & Answers



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