





COVID-19 & Payroll: What Employers Need To Know




Welcome to today's webinar









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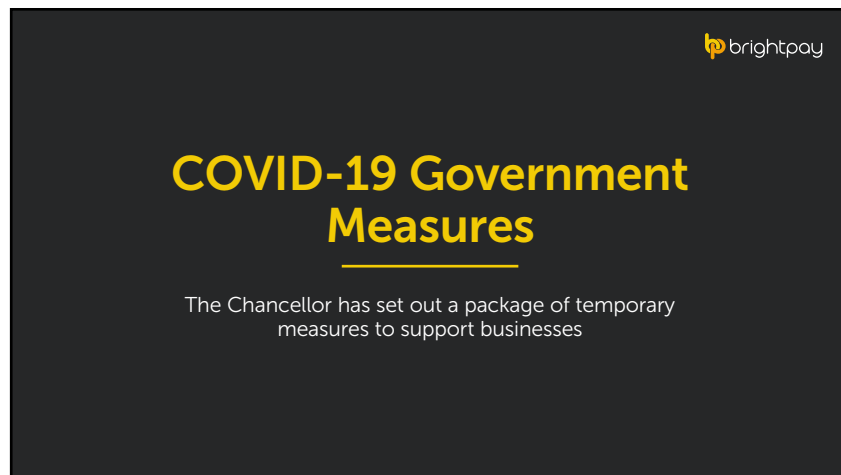
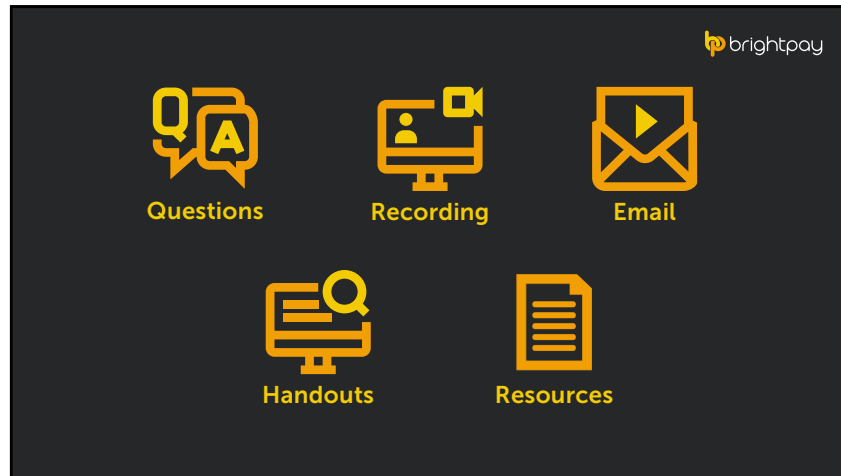
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Annual Leave Rights

The rules in relation to carrying over annual leave have been temporarily relaxed to deal with the coronavirus disruption



COVID-19 & Employee Rights

Annual leave rules have been temporarily relaxed

Employees may carry over up to 4 weeks paid holidays into the next two leave years

More information on employee rights throughout the webinar



Additional Resource



COVID-19: How to handle SSP

COVID-19 related sick pay differs from normal Statutory Sick Pay.




COVID-19 & SSP

Employees are entitled to Statutory Sick Pay from day one

Employers can claim for up to 2 weeks sick leave if diagnosed with COVID-19, self-isolating or shielding

HMRC's online service to reclaim COVID-19 Related SSP will be available on gov.uk from 26 May



COVID-19 & SSP

Check existing sick leave policies – some businesses pay over the SSP amount


Only the current rate of SSP can be claimed, even if employer pays more

BrightPay 20/21 - new option for COVID-19 Related Sick Leave



Coronavirus Job Retention Scheme & Furlough Leave

A temporary scheme that is designed to support employers whose operations have been severely affected by COVID-19.



Job Retention Scheme & Furlough Leave

Designed to support employers whose operations have been severely affected by COVID-19

The scheme has been extended by 4 months until 30 October 2020

All UK companies are eligible:
Limited companies, sole traders, LLPs, partnerships & charities



Job Retention Scheme & Furlough Leave

Employers can claim for:

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




Job Retention Scheme & Furlough Leave

Must have been on your PAYE payroll on **19th March 2020**

It's available to all employees:


- Full-time employees
- Part-time employees
- Employees on agency contracts
- Flexible / zero-hour contracts



Job Retention Scheme & Furlough Leave

Must have been included in an RTI submission to HMRC on or before **19 March 2020**

Employees that were employed as of 28 February and stopped working for you prior to 19 March can qualify if they are re-employed




Job Retention Scheme & Furlough Leave

Not all employees need to be placed on furlough

Furloughed employees cannot undertake work for or on behalf of the organisation

If an employee is working reduced hours, they will not be eligible

From August – flexibility will allow employees to return part-time




Job Retention Scheme & Furlough Leave

Unpaid leave after 28 February – can be furloughed

Unpaid leave on or before 28 February – can only be furloughed after the agreed date of return

More than one employment – can be furloughed for each job

Each employer is treated individually




Job Retention Scheme & Furlough Leave

Statutory Leave - Maternity leave, adoption, paternity, shared parental pay, parental bereavement leave

Normal rules apply – entitled to claim statutory pay

Unable to work due to caring responsibilities (e.g. childcare) – are eligible to be furloughed




Job Retention Scheme & Furlough Leave

Directors – can claim for PAYE salary

No income-generating work while on furlough, but they can continue to run the business from a statutory perspective

Also applies to salaried individuals who are directors of their own PSC




Job Retention Scheme & Furlough Leave

Furlough leave – not intended for short term absence from work due to illness

If employer wants to furlough an employee for business reasons and they are currently off sick – they can no longer receive SSP

Shielding – can be furloughed if they are unable to work from home



Job Retention Scheme & Furlough Leave

Furloughed employees retain their statutory rights – must be paid at least SSP if they become ill

Employers will need to decide whether to move employees onto SSP or to keep them on furlough

CJRS & SSP – can be claimed for the same employee, but not for the same period of time



Job Retention Scheme & Furlough Leave


- Minimum furlough period – 3 consecutive weeks
- Can be furloughed multiple times
- When the scheme ends, employees can remain furloughed – no subsidy
- Grants cannot be used to substitute redundancy payments



Job Retention Scheme & Furlough Leave

- Employers need to claim for wage costs through GOV.UK online portal
- Online calculator to help calculate the amount you can claim
- Login with Government Gateway ID and password


 Additional Resource



Job Retention Scheme & Furlough Leave

You will need the following to make a claim:

- Bank account & sort code
- Contact name & phone number
- Unique Tax Reference / Company Registration Number
- Name, employee number and NI number for furloughed workers
- Total amount being claimed & total furlough period



Job Retention Scheme & Furlough Leave

- Less than 100 furloughed staff: Input information directly
- More than 100 furloughed staff: You will need to upload a file with additional information:
 - Claim amount per furloughed employee
 - Claim period for each furloughed employee



Job Retention Scheme & Furlough Leave

You cannot make more than one claim during a claim period

Must claim for all furloughed employees at one time

Claims can be backdated to 1 March but cannot claim earlier than start date

Claims should start from the date the employee finishes work

 Additional Resource




Job Retention Scheme & Furlough Leave

Businesses and agents that are authorised to act on behalf of clients will be able to claim

File only agents will not be able access the service due data protection reasons

You should receive the payment from HMRC within 6 working days

 Additional Resource




Job Retention Scheme & Furlough Leave

HMRC – working on a process to enable claims to be amended

Don't amend next claim to reflect any errors made in previous claim

Check if you need to report payments via RTI

Depends on whether using grant to pay wages or to reimburse wages that have already been paid

 Additional Resource




Job Retention Scheme & Furlough Leave

At a minimum – whichever is lower:

- 80% of their regular wage
- £2,500 per month

Employees wage is subject to Income Tax, National Insurance, Auto Enrolment contributions




Job Retention Scheme & Furlough Leave

Employers – still liable for Employer National Insurance & employer Auto Enrolment contributions

Subsidy from HMRC will cover Employer NI & AE contributions

Employer top-up – Employer NI and AE contributions not subsidised




Job Retention Scheme & Furlough Leave

Need to subtract any Employment Allowance that you have used in that pay period

If Employment Allowance does not cover total NIC due – claim lower of:


- The grant towards employer NICs costs that you've already calculated
- The employer NICs costs that you paid, across your entire payroll



Job Retention Scheme & Furlough Leave

Full-time & part time employees: salary before tax as in their last pay period prior to 19 March 2020

If a claim is already calculated based on employees salary as at 28 February, you can choose to still use this calculation for your first claim



Job Retention Scheme & Furlough Leave

Variable pay, higher of:

- Same month's earning from the previous year
- Average monthly earnings from 2019/20 tax year

Variable pay – less than 12 months: Claim for an average of their earnings to date

Job Retention Scheme & Furlough Leave



Regular payments you are obliged to make should be included when calculating furlough pay, including:

- Regular wages you pay to employees
- Non-discretionary overtime
- Non-discretionary fees
- Non-discretionary commission pay
- Piece rate payments

Job Retention Scheme & Furlough Leave



You cannot include the following when calculating furlough pay:

- Payments made where there is no contractual obligation to pay, e.g. tips, discretionary bonuses, discretionary commission payments
- Non-cash payments
- Non-monetary benefits that reduce an employee's taxable pay, e.g. benefit in kind, salary sacrifice

Job Retention Scheme & Furlough Leave



Employees only entitled to NMW / NLW for the hours they are working

Furloughed employees pay can fall below NMW / NLW

Time spent training – must be paid the appropriate minimum wage

Furlough Leave & Employment Legislation




Must provide written notice and keep a record of this for 5 years

An employee can be placed on furlough if contract contains a layoff or short-term clause

Where there is no such clause, it's best advised to get agreement from the employee



Additional Resource



Furlough Leave & Employment Legislation

Deciding who to furlough – equality and discrimination laws apply

Furloughed employee's retain their rights – SSP, maternity, unfair dismissal, redundancy payments

When the scheme ends – redundancy may be necessary



Furlough Leave & Holiday Pay

Furloughed employees accrue leave as per their employment contract

Employees can take holiday whilst on furlough – must be paid in accordance with Working Time Regulations


If the employee usually works bank holidays, it can be included in grant

 Additional Resource



Self-Employed Income Support Scheme

The Self-Employed Income Support Scheme is designed to protect the jobs of self-employed workers across the UK.




Self-Employed Income Support Scheme

Taxable grant for self-employed individuals – 80% (capped at £7,500)

Average monthly trading profit over the last 3 years

Recipients can continue their normal trading activity

Paid in June – a single lump sum instalment covering all 3 months

 Additional Resource



How BrightPay can facilitate remote working

Although BrightPay is a desktop solution, it is very flexible and can facilitate working from home.



Remote Working with BrightPay

BrightPay can be installed on up to 10 different PCs

Payroll files can be accessed remotely through cloud environments such as Dropbox or Google Drive

Allows you to continue to process the payroll as normal



Additional Resource



How BrightPay Connect's online portals can help

BrightPay Connect is proving to be hugely beneficial and enables full business continuity with secure communications.



How Connect can help

Track COVID-19 related sick leave on the online employee and employer calendar

Upload documents and resources to distribute to employees

Notify employees of important announcements - can be viewed on the employee's smartphone app

Additional Resources

BrightPay's COVID-19 Resources Hub:

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

Working Remotely with BrightPay:

<https://www.brightpay.co.uk/guides/BrightPay%20Covid-19.pdf>

Template Furlough Letter:

https://www.brightpay.co.uk/guides/Letter_Regarding_Furlough_Leave.docx

Template Letter – Furlough Leave Extension:

<https://www.brightpay.co.uk/guides/Furlough%20Leave%20Extension.docx>

Template Letter – Rejecting Furlough Request:

https://www.brightpay.co.uk/guides/Letter_Rejecting_Furlough_Request.docx

Template Letter – Rejecting Furlough Request:

<https://www.brightpay.co.uk/guides/Return%20to%20Work.pdf>

COVID-19 & Annual Leave:

<https://www.brightpay.co.uk/blog/2020/03/carry-over-of-annual-leave-government-relaxes-rules/>

Additional Resources

Coronavirus Statutory Sick Pay Rebate Scheme Updates:

<https://www.brightpay.co.uk/blog/2020/05/claim-guidance-for-coronavirus-statutory-sick-pay-claim/>

Step-by-step guide for employers to claiming your employees' wages

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/880099/Coronavirus_Job_Retention_Scheme_step_by_step_guide_for_employers.pdf

COVID-19 Support for Businesses:

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

Coronavirus Job Retention Scheme Calculator:

https://www.tax.service.gov.uk/job-retention-scheme-calculator/?_ga=2.148266551.167232154.1587371900-1314782072.1582624937

Reporting CJRS Payments through RTI:

<https://www.gov.uk/guidance/reporting-payments-in-pay-real-time-information-from-the-coronavirus-job-retention-scheme>



Questions & Answers



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