



Chartered Accountants

Covid-19, Job retention Bonus October 2020



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The Scheme

In his Summer Statement the chancellor announced that the government is introducing a new Coronavirus Job Retention bonus to reward and incentivise employers who continue to employ their furloughed employees through to the end of January 2021. Further details have been released by HMRC this week

Eligibility

Eligible employees must earn at least £520 a month on average between the 1 November 2020 and 5th February 2021. You must pay your employee at least one payment of taxable earnings (of any amount) in each of the relevant tax months.

Employers will not be able to claim the Job Retention Bonus until 15 February 2021. and claims must be made before 31st March 2021. HMRC intends to update details of how to claim by 31st January 2021

Who can claim?

An employer will be able to claim the Job Retention Bonus for any employees that were eligible for the Coronavirus Job Retention Scheme and they have claimed a grant for. Where a claim for an employee was incorrectly made, a Job Retention Bonus will not be payable.

All employers are eligible for the scheme including recruitment agencies and umbrella companies.

Employers should ensure that they have:

- complied with their obligations to pay and file PAYE accurately and on time under the Real Time Information (RTI) reporting system for all employees
- maintained enrolment for PAYE online
- a UK bank account
- 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 Coronavirus Job Retention Scheme claims

Which employees can I claim for?

Employers will be able to claim for employees who:

- were furloughed and had a Coronavirus Job Retention Scheme claim submitted for them that meets all relevant eligibility criteria for the scheme
- have been continuously employed by the relevant employer from the time of the employer's most recent claim for that employee until at least 31 January 2021
- have been paid an average of at least £520 a month between 1 November 2020 and 31 January 2021 (a total of at least £1,560 across the 3 months). The employee does not have to be paid £520 in each month, but must have received some earnings in each of the three calendar months that have been paid and reported to HMRC via RTI;
- have up to date RTI records for the period to the end of January 2021
- are not serving a contractual or statutory notice period, that started before 1 February 2021, for the employer making a claim

What if I am making redundancies

If you make redundancies, you must comply with the [normal rules for redundancy](#), which include using [fair redundancy criteria](#). These rules apply even if this means that fewer of your employees are eligible for the Job Retention Bonus.

Can Directors make a claim?

Yes, employers can claim the Job Retention Bonus for all employees who meet the above criteria, including office holders, company directors and agency workers, including those employed by umbrella companies. The above criteria must be met regardless of the frequency of the employee's pay periods, their hours worked and rate of pay.

How much can we claim?

The Job Retention Bonus will be a one-off payment of £1,000 to the employer for every eligible employee that is claimed for. The bonus will be taxable, so the business must include the whole amount as income when calculating their taxable profits for Corporation Tax or Self-Assessment

When can we claim?

Employers will be able to make a claim through the Gov.uk website between 15th February 2021 and 31st March 2021

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