



Employment Law Bulletin

FAQ's on Job Retention Bonus Scheme

Last week, the Government issued new guidance on how to access the **Job Retention Bonus Scheme**. However, the announcement raised more questions than it answered...

That's why I've created some FAQ's on how to claim **£1,000** for every furloughed employee you bring back to work.

Job Retention Bonus – FAQ's

1. Which employers can claim the Job Retention Bonus?

If you furloughed staff, you are eligible for the JRB. Recruitment agencies and umbrella companies can also claim.

Before you do, ensure you have:

- Complied with your obligations to pay & file PAYE accurately and on time. Follow the Real Time Information (RTI) reporting system for all employees
- Maintain enrolment for PAYE online
- A UK bank account.

Remember - Failure to maintain accurate payroll data may jeopardise a claim. To avoid this, keep your payroll up to date. Address all requests from HMRC to provide missing employee data in respect of historic Job Retention Scheme (JRS) claims.

2. Is there a limit on the number of employees I can claim for?

No, there doesn't appear to be at this stage.

3. Is there a limit on the size of employer who can claim the bonus?

No, there doesn't appear to be at this stage.

4. Which employees can I claim the bonus for?

Employees must be eligible for the Job Retention Scheme and you must have claimed a grant from the Scheme for them. Government guidance says that this includes office holders, company directors, and agency workers. This also includes those employed by umbrella companies.

The JRB can be claimed for employees who:

- Were furloughed and had a Job Retention Scheme claim submitted for them. It must meet all relevant eligibility criteria for the scheme
- Have been continuously employed by you from the time of your most recent claim 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 doesn't have to be paid £520 in each month. However, they must have received some earnings in each of the three calendar months that have been paid and reported to HMRC via Real Time Information
- Have up to date RTI records for the period to the end of January 2021
- Aren't serving a contractual or statutory notice period, set by you, starting before 1 February 2021

5. Can I claim the bonus for those categories of people who were excluded from the 10 June 'first time furlough' cut-off date?

Yes. The Job Retention Scheme included a cut-off date on 10 June 2020. After this date, no employee could be furloughed for the first time. Some groups were exempt from the cut off. These include those on:

- Maternity
- Paternity
- Adoption - shared parental or parental bereavement leave starting before and ending after 10 June.

Employees who were on a period of mobilisation with the Reserve Forces starting before and ended after 10 June were also exempt. Employers can claim the JRB in relation to these employees. However, their furlough must have started after 10 June 2020 and they'll need to meet all other criteria.

6. Are the rules any different for fixed term employees?

You can claim the JRB for employees on fixed term contracts if extended or renewed. However, this is only if continuity of employment isn't broken and all other criteria are met.

7. I transferred some employees to my business under TUPE recently, can I claim the bonus for these employees?

Yes, provided that you, as the new employer, furlough the employee under TUPE. You must have successfully made a claim to the Job Retention Scheme to claim the bonus. This also applies to employees of a previous business who transferred. The new employer can receive the bonus where the PAYE business succession rules applied to the change of ownership.

In both cases, the employees must have transferred on a date which falls by the end of the Job Retention Scheme i.e. by 31 October 2020. You cannot claim the JRB for any employee who transferred after 31 October 2020

8. What earnings count towards the £520 per month minimum limit?

This is restricted to earnings recorded through HMRC Real Time Information (RTI) records. More detailed guidance on this will be published in September 2020.

9. How much is the bonus?

It's £1000 for every furloughed employee who meets the criteria set out above. It's also a one-off payment. If you have multiple furloughed staff meeting the criteria, the bonus could total several thousands of pounds.

10. Is the bonus taxable?

Yes. You must include it as income when calculating your taxable profits for Corporation Tax or Self-Assessment.

11. When can I claim the bonus?

From February 2021. You will be able to claim it through Gov.uk. More information on this will be published in September 2020.

12. What should I do to prepare for claiming the bonus?

You should make sure your employee records are up-to-date. You should be accurately reporting your employee's details and wages on the Full Payment Submission (FPS).

This is done through the Real Time Information (RTI) reporting system.

Make sure all your claims to the Job Retention Scheme have been accurately submitted.

And finally, ensure that you've notified HMRC of any necessary amendments to your claims.

13. Is there anything which may prevent the bonus being paid?

HMRC will withhold payment of the JRB where there is a risk of fraud or inflation. If there is potential that you've done this, HMRC will begin an enquiry.

Where a claim to the Job Retention Scheme was incorrectly made, the JRB will not be paid.

HMRC will withhold payment of the JRB where there is a risk of fraud or inflation. If there is potential that you've done this, HMRC will begin an enquiry.

Where a claim to the Job Retention Scheme was incorrectly made, the JRB will not be paid.

Hopefully I have answered your questions. However, if your query wasn't listed e mail me or give me a call.

David Beck

Chartered Fellow -FCIPD, FIRP

Tele: 07803 115607

E Mail: davidbeck@therpcgroup.co.uk

10th August 2020