



M+A

Partners

Coronavirus Job
Retention Scheme (CJRS)

Guidance

Information

COVID-19

Support

Update
June '20

Calculating your claim using the Coronavirus Job Retention Scheme (CJRS)

From 1 July 2020, the Coronavirus Job Retention Scheme (CJRS) changes to enable employers to bring furloughed employees back to work for any amount of time or shift pattern, while still being able to claim CJRS grant for the hours not worked.

The government have stated that this means there is a new second phase CJRS in place for furlough periods from 1 July 2020. The first CJRS closes on 30 June 2020.

The government has now published updated guidance for employers that want to use the new flexi furlough scheme from 1 July onwards, including details on how to determine furloughed employees' pay and calculating a claim.

Further information on the new CJRS, how it is changing and how much employees will be asked to contribute can be found here:



Claim periods

- + Claims under the existing CJRS, which closes on 30 June, must be made by 31 July;
- + Claims under the new CJRS cannot be made until 1 July;
- + If a furlough period overlaps the deadline of the existing scheme and commencement of the new scheme, it should now be treated as ending on 30 June and then restarting under the new scheme on 1 July;
- + Two separate claims will be required for overlapping furlough periods, with furlough dates up to 30 June to be included in the June claim;
- + Claim periods starting on or after 1 July must start and end within the same calendar month and must last at least 7 days unless you are claiming for the first few days or the last few days in a month; and
- + You can only claim for a period of fewer than 7 days if the period you are claiming for includes either the first or last day of the calendar month, and you have already claimed for the period ending immediately before it.

Which furloughed employees can I claim for from 1 July?

- + Employees can only be included in a claim if they had been furloughed for a minimum of 21 days at any point between 1 March - 30 June;
 - + For example, employees that were furloughed for three weeks in May but then returned to work could be included in the claim; and
 - + If an employee starts a new furlough period after 10 June, they must complete 21 days of furlough before moving onto the new, flexible furlough scheme.
-

How many employees can I claim for from 1 July?

- + The number of employees in a claim must not exceed the highest number of employees that were in any claim up to and including 30 June; **exceptions to this include:**
 - + Employees returning to parental leave;
 - + Employees moved to a new PAYE scheme as a result of a scheme reorganisation after 10 June, but that had been in a claim under their previous PAYE scheme between 1 March and 30 June; and
 - + Employees transferred under the TUPE rules into a business due to a change of ownership or a compulsory liquidation after 10 June, but who had been in a claim under their previous PAYE scheme between 1 March - 30 June.
-

Calculating usual and furloughed hours

From 1 July, employees can work and be furloughed in the same pay period. Employers will need to agree with an employee their working hours using the flexi furlough scheme and this needs to be done in writing.

To take advantage of this flexibility employers will be required to calculate and report to HMRC in the furlough claim:

- + 'Usual Hours'; and
- + Actual hours worked.

The unworked hours will be furloughed hours and eligible for a CJRS claim.

'Usual Hours' are:

- + Contracted hours for salaried employees; or
- + Specific formula for zero hours or variably paid employees.

Furloughed hours are:

- + An employee's usual hours minus the actual hours worked.

Examples of how to work out employee's usual hours and furloughed hours can be found here:



Using the Job Retention Scheme Calculator

The Job Retention Scheme Calculator can be used to work out:

- + What employers can claim for in a claim ending on or before 30 June;
- + What employers will be able to claim for claim periods starting on or after 1 July and ending on or before 31 July;
- + For employees that are flexibly furloughed, employers will need to work out their usual hours before using the calculator;

- + The calculator cannot be used for employees that:
 - Have returned from family-related statutory leave (maternity leave, paternity leave, shared parental leave, adoption leave, parental bereavement leave);
 - Have been transferred under TUPE;
 - Have been employed at separate times throughout the year;
 - Receive employer pension contributions outside of an auto-enrolment pension scheme; and
 - Have an annual pay period.

Access the claims calculator here:



Calculating 80% of an employee's usual wage

Employers will need to calculate 80% of an employee's usual wage to determine:

- + How much to pay them for the time they are furloughed; and
- + What employers can claim.

An employer will need to identify:

- + The number of furlough days in the period;
- + This means every calendar day within a period when;
- + An employee was fully furloughed; or
- + Under a flexible furlough agreement.

The Job Retention Scheme Calculator can be used to assist in the calculation of how much an employer can claim, however there will be some scenarios when this may not be suitable. Employers should choose the calculation that best fits the way an employee is paid, for example if an employee has a regular fixed salary then they should use the calculation for fixed pay amount.

Examples of how to work out 80% of wages for employees on various salary structures can be found here:



Calculating an employee's minimum furlough pay

The minimum furlough pay is the lesser of either:

- + 80% of their usual wage; OR
- + The maximum wage amount.

If an employee is flexibly furloughed, the minimum pay depends on their working and furloughed hours.

Start with the lesser of:

- + 80% of their usual wages;
- + The maximum wage amount; and then
- + Multiply by the employee's furloughed hours; and
- + Divide by the employee's usual hours.

If any of the furlough hours are taken as paid holiday or annual leave, employers will need to top up the pay for these hours to the employee's full contracted rate.

Examples of how to calculate the minimum furlough pay for an employee that is flexibly furloughed can be found here:



What is the maximum claim amount?

- + The maximum wage amount is £2,500 a month, or £576.92 a week;
- + From 1 July this is not necessarily the amount claimed, however;
- + Employers will still need to work out the maximum wage amount to enable the calculation of employee pay and the amount of CJRS grant that can be claimed; and
- + Employers will also be required to calculate 80% of an employee's usual wage, as detailed above.

Calculating the maximum claim amount

- + If a claim is not for one week or one month, the maximum daily wage amount should be used to calculate the maximum claim amount for each employee;
- + The daily maximum wage should be multiplied by the number of calendar days an employee is furloughed for in your claim; and
- + If a claim period overlaps two or more calendar months, the maximum amount for each calendar month should be calculated and then the totals added together. From 1 July onwards claim periods cannot cover more than one calendar month or cross months.

Examples of how to calculate the maximum wage amount for part of a pay period can be found here:



Month	Daily maximum wage amount
March 2020	£80.65 per day
April 2020	£83.34 per day
May 2020	£80.65 per day
June 2020	£83.34 per day
July 2020	£80.65 per day
August 2020	£80.65 per day
September 2020	£83.34 per day*
October 2020	£80.65 per day*

*In September and October, this is the maximum amount employers will have to pay a furloughed employee. The amount that can be claimed for will be lower.

Calculating how much can be claimed for an employee's furlough pay

- + For periods ending on or before 31 August you can claim a grant for the full amount of the minimum furlough pay;
- + For periods starting on or after 1 September you will need to calculate the grant amount as follows.
 1. Start with the amount of minimum furlough pay;
 2. Divide by 80;
 3. Multiply by 70 for September; OR
 4. Multiply by 60 for October.

An example of how to calculate the minimum furlough pay that can be claimed can be found here:



Calculating claims for employer National Insurance contributions (NICs)

- + Calculate and pay Class 1 employer NICs in the normal way;
- + For periods ending on or before 31 July, employers can claim for Class 1 employer NICs paid on the grant for an employee's wages;
- + Employers can choose to top up an employee's wages, however they cannot claim for employer NICs on the amount they have been topped up by; and
- + For periods starting on or after 1 August, employers will not be able to claim a grant towards the employer Class 1 NICs paid on the grant for employees' wages.

Examples of how to calculate the claim for employer NICs, covering varying employment scenarios and claim periods, can be found towards the bottom of this web page:



If you claim Employment Allowance, employers must ensure they do not claim too much from the scheme, for further details see here:



Calculating claims for employer pension contributions

Employers still need to pay pension contributions on behalf of their furloughed employees. Until 1 August, these can be claimed for up to the level of the mandatory employer contribution, even if it is not an auto-enrolment pension.

Examples of how to calculate the claim for employer pension contributions, covering varying employment scenarios and claim periods, can be found towards the bottom of this web page:



What impact will the new rules have on the fees M+A Partners charge for payroll and furloughing work?

The new flexi furloughing rules are very complex. This means that more work will be required to calculate furlough claims and employee wages from 1 July. Our fees for undertaking furloughing work from 1 July will be computed on a time spent basis, which fairly reflects the additional work we need to carry out to support our clients with their claims. Please ask your usual contact at **M+A Partners** for more information on what this means for our fees for carrying out your furloughing work.

At M+A Partners, we are here to help and support you as you navigate through the government's coronavirus support payment measures during these challenging times. If you need help then please get in touch.



MA Partners LLP

7 The Close Norwich NR1 4DJ

2 Cyprus Court Queens Square Attleborough NR17 2AE

12 Church Street Cromer NR27 9ER

☎ 01603 227600

✉ CJRsupport@mapartners.co.uk

mapartners.co.uk

 [mapartnersuk](https://www.linkedin.com/company/mapartnersuk)

Disclaimer We believe the information herein to be correct at the time of going to press, but we cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein. **June 2020** Printed and published by © MA Partners LLP. M+A Partners is the trading name of MA Partners LLP and MA Partners Audit LLP, which are limited liability partnerships. A list of members may be inspected at our registered office: 7 The Close, Norwich, NR1 4DJ. The term "partner" is used to refer to a member of MA Partners LLP or MA Partners Audit LLP. MA Partners LLP is regulated for a range of investment business activities and licensed to carry out the reserved legal activity of non-contentious probate in England and Wales by the Institute of Chartered Accountants in England and Wales. MA Partners LLP is registered in England and Wales (LLP number OC 361855). MA Partners Audit LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. MA Partners Audit LLP is registered in England and Wales (LLP number OC 427003).