

The Job Retention Bonus

How it works and how to claim

The Job Retention Bonus is a one-off, taxable payment of £1,000 paid to employers for each eligible employee that has been furloughed and remains in continuous employment until 31 January 2021.

Can all employers claim?

You can claim the Job Retention Bonus if:

- + You are an employer that has made an eligible claim for a furloughed employee under the Coronavirus Job Retention Scheme (CJRS); or
- + You are an employer that has made a claim through the Job Support Scheme.

Are all employees eligible?

To claim the Job Retention Bonus, employees must:

- + Have been kept in continuous employment from the end of the claim period of your last CJRS claim for them, until 31 January 2021;
- + Not be serving a contractual or statutory notice period, including notice of retirement, on 31 January 2021; and
- + Have been paid at least the minimum income threshold - at least £1,560 (gross) throughout the tax months:
 - 6 November to 5 December 2020;
 - 6 December to 5 January 2021; and
 - 6 January to 5 February 2021.

Employees must have received at least one payment of taxable earnings (of any amount) in each of the relevant tax months.

HMRC will verify if employees have been paid at least the minimum income threshold by checking information submitted via Real Time Information (RTI).

You cannot claim the bonus for any employees that have not been paid using the CJRS grant, because you repaid all the grant amounts you claimed for them.

What about claiming for individuals that are not employees?

You can claim the bonus for office holders or agency workers if you claimed a successful grant for them under the CJRS and if the other Job Retention Bonus eligibility criteria are also met.

What is the tax treatment of the bonus?

- + Payments received under this scheme must be treated as income when you calculate your taxable profits for Income Tax and Corporation Tax purposes; and
 - + Employment costs can be deducted as normal when calculating taxable profits for Income Tax and Corporation Tax purposes.
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How are claims made?

- + You cannot make a claim until 15 February 2021;
 - + Claims must be made by 31 March 2021 and no further claims will be accepted after this date;
 - + Claims will be via an online service on GOV.UK; and
 - + Further guidance will be published at the end of January 2021.
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What can be done to prepare for making a claim?

- + Report all payments, for those employee/s you wish to claim for, made between 6 November 2020 and 5 February 2021; and
- + These should be reported to HMRC through Full Payment Submissions via Real Time Information (RTI).

You must also:

- + Be enrolled for PAYE online;
- + Comply with your PAYE obligations to file PAYE accurately and on time under RTI reporting for all employees between 6 April 2020 and 5 February 2021;
- + Keep your payroll up to date and make sure you report the leaving date for any employees that stop working for you before the end of the pay period that they leave in;
- + Use the irregular payment pattern indicator in RTI for any employees not being paid regularly; and
- + Comply with all requests from HMRC to provide any employee data for past Coronavirus Job Retention Scheme claims.

Can M+A Partners help me claim the Job Retention Bonus?

If M+A Partners is your authorised agent for submitting your PAYE online, then we expect to be able to help with your claim for the Job Retention Bonus.

We can also assist **non-payroll clients of M+A Partners**, providing clarity on employees that are eligible for the bonus.

Further information as to how we can assist with claiming the bonus on your behalf will be published in January 2021.

Our fees for assisting you can be tailored to the level of advice you need, and can be confirmed once we know the claims procedures required.

Please get in touch with your usual M+A Partners contact or email payroll@mapartners.co.uk



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