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PayrockPayroll is here

This month has seen the launch of PayrockPayroll, the new way for MBKB to provide the payroll community with updates, support and networking opportunities.

Let's face it, there's never a quiet time in payroll, indeed one of the common mantras is that the world of payroll is always changing, but no-one could have ever predicted how the world, and especially the payroll world, would change in such a few short months. With the onset of the COVID-19 pandemic, and the Coronavirus Job Retention Scheme, known as CJRS, we all have a new word "furlough" in our everyday vocabulary, and now we have the Flexible Furlough scheme amusingly shortened by many to FFS. So what better time to launch PayrockPayroll, I'm Helen Hargreaves and I'm Head of Payroll Policy at MBKB. We are looking forward to keeping you up to date with everything that's happening in payroll, through monthly newsletters and webinars and the **PayrockPayroll** website. Over the coming weeks we will be launching our PayrockPayroll app, and as life slowly returns to normal and we get used to meeting people again, there will also be the opportunity for you to meet payroll colleagues through networking events and our annual payroll festival. Look out for further developments from PayrockPayroll.

Covid 19 Update

CJRS phase 2

It was 20 March when the Chancellor announced that he was introducing the Coronavirus Job Retention Scheme (CJRS) which was expected to help employers to pay the wages of their staff for up to 12 weeks whilst employees followed government advice to Stay Home, Protect the NHS and Save lives. Four months later, with the scheme now closed to new furlougees (if that wasn't a word before, it is now), I'm not sure whether Rishi Sunak could have anticipated the extent to which this scheme was going to be used. According to the Office for National Statistics, 9.4 million employees have been furloughed by 1.1 million employers at an eye-watering cost so far of £27.4bn, with the number on payroll dropping by almost 650,000 between March and June.

Just as employers got to grips with the intricacies of making a claim for wages through the CJRS, on 1 July we entered phase 2 of the CJRS which brings with it a new set of rules, here's what you need to know:

- 31 July is the latest that you can submit claims for periods ending on or before 30 June
- The Coronavirus Job Retention Scheme will close on 31 October 2020
- From 1 July, employers can bring furloughed employees back to work for any amount of time and any shift pattern, whilst still being able to claim CJRS grant for the hours not worked, commonly known as the Flexible Furlough Scheme.
- Whilst still required to pay furloughed employees at least 80% of their wages (capped at £2,500), the amount that employers can claim back will be reduced each month as follows:

| Month | Amount to be reclaimed |
|-----------|--|
| June | 80% of wages (capped at £2,500) plus employer NICs and pension contributions |
| July | As above for the hours the employee is on furlough. The employer must pay the employee for any hours they actually work |
| August | 80% of wages (capped at £2,500) for the hours an employee is on furlough but employers must pay employer NICs and pension contributions for the hours the employee is on furlough |
| September | 70% of wages up to a cap of £2,187.50 for the hours the employee is on furlough. Employers must pay employer NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for the hours they are furloughed |
| October | 60% of wages up to a cap of £1,875 for the hours the employee is on furlough. Employers must pay employer NICs and pension contributions and top up employees' wages to ensure they receive 80% of their wages up to a cap of £2,500, for the hours they are furloughed |

Transition from lockdown

ACAS have produced an **interactive process map** designed for employers who are preparing for a return to the workplace which signposts some recommended actions and further guidance available.

Furlough during notice period

HMRC has confirmed that employees can still be furloughed even if they are serving their statutory redundancy notice period. However, regardless of their contractual notice pay, employers can only reclaim 80% up to a maximum £2,500. Claims can only be made to pay notice that is being served, and not any payments made in lieu of notice. In short, notice periods whilst the employee's contract is still operational can be covered by the CJRS grant, but once the employee is treated as being a leaver, then payments such as redundancy cannot be reclaimed.

CJRS fraud

When payroll professionals are working so hard to understand and comply with the increasingly complex requirements of the CJRS, the news that not everyone shares their commitment will, I expect, leave them saddened and infuriated in equal measure as HMRC have made their first CJRS fraud arrest - a 57-year-old man suspected of defrauding the CJRS of £495,000. HMRC said that funds held in a bank account relating to the man's business were frozen, while computers and other digital devices found inside the property in Solihull were seized.

Chancellor's Summer Economic Update

On 8 July the Chancellor delivered his Summer Economic Update, and launched the **Plan for Jobs 2020** which includes the following initiatives:

Job Retention Bonus – As an incentive for employers to bring back, and keep, their furloughed employees, the government will pay a £1,000 to UK employers for every furloughed employee who is continuously employed up until the end of January 2021.

Kickstart – A £2 billion pot creating jobs for individuals aged between 16 and 24 who are on Universal Credit and potentially at risk of long-term unemployment. The jobs will be six-month placements and the government will fund 100% of the National Minimum Wage (NMW) rate for 25 hours per week, as well as the employer NICs and pension contributions.

Apprentices – It's good to hear that the government is introducing a new payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over, from 1 August 2020 to 31 January 2021. These payments will be in addition to the existing £1,000 payment the government already provides for new 16-18 year-old apprentices, and those aged under 25 with an Education, Health and Care Plan – where that applies. The government will also provide employers who give trainees work experience a £1,000 payment per trainee.

Life goes on

Sometimes it feels that, for payroll professionals at least, there isn't a life outside of the CJRS, so you may be surprised to hear that life is now getting back to some sort of normality in some areas.

New Starter checklist

HMRC has released a draft **New Starter Checklist** which has been streamlined and amended to reflect the introduction of the new Scottish Student Loan Plan 4, from 6 April 2021. If you have any comments or suggestions about this new form please email me helen@mbkbgroup.com and I will ensure that your thoughts and ideas are passed directly to HMRC policy makers.

Off-payroll working in the private sector back on track

After the extension of off-payroll working to the private sector was postponed from its intended start date of April 2020 due to the outbreak of COVID-19, we now know that, despite pressure to delay or abandon the reforms altogether, the reforms will go ahead in April 2021.

This is just a snapshot of what is to come. Look out for further updates from PayrockPayroll over the next few months, starting with our Termination/Redundancy Webinar on 25 August. This free webinar will help employers navigate their way through these difficult times. Support is also available for individuals facing redundancy. More information is available on our **website**.

