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Welcome to November's PayrockPayroll update. Coming up in this month's edition...

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PayrockPayroll update



Welcome

Covid 19 Update

So, here we are again, another month, another major change to the support available to employers during the COVID-19 pandemic. But I will get over my mild irritation that almost everything I wrote about in last month's newsletter got changed barely a week later, as the Chancellor's announcement was warmly welcomed by most businesses in the UK. And I suspect the measures introduced at the beginning of November will remain largely untouched for several months now. I say largely, because there is a change to the reporting deadline which is causing major issues and I hope that next month I am able to tell you that that too has been changed, but more of that later!

Job Support Scheme and Job Retention Bonus

The launch of the Job Support Scheme that we were expecting to commence on 1 November has been postponed. So too has the Job Retention Bonus, which will no longer be paid in February 2021. Instead an alternative incentive is planned and will be introduced at a later date.

CJRS claims - deadline imminent

Instead of the Job Support Scheme, we have a new iteration of the Coronavirus Job Retention Scheme, and we are obviously becoming rather attached to the CJRS as the schemes are now starting to attract nicknames, with the latest version endearingly known as CJRS.3.

CJRS.3 took effect from 1 November 2020 and the deadline is fast approaching for employers to submit any claims under the earlier regime. All CJRS claims for periods of flexible furlough (including continuing full furlough) from 1 July through to 30 October 2020, must be made by 30 November 2020. Some employers have missed earlier deadlines and as a result failed to receive grant funding. If you have any outstanding claims, please make sure you submit them before 30 November.

CJRS.3

We've now had three versions of the CJRS and each one has slight differences from the earlier versions. So what's new about CJRS.3?

CJRS.3 will run until 31 March for all parts of the UK.

From 1 November, the UK Government will pay 80% of employees' usual wages for the hours not worked, up to a cap of £2,500 per month, though the policy will be reviewed in January.

Employers and their employees do not need to have used the scheme before.

For periods from 1 November onwards, you can claim for employees who were employed on 30 October 2020, as long as you have made a PAYE Real Time Information (RTI) submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee. This means that you may now be able to furlough employees who weren't previously eligible.

If an employee's fixed term contract expired on or after 23 September, they can be re-employed and claimed for. This applies as long as the employee was employed by you on 23 September and you made a PAYE RTI submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.

Employing apprentices

Apprentices can be furloughed in the same way as other employees and they can continue to train **whilst on furlough**. However, you must pay your apprentices at least the Apprenticeship Minimum Wage/National Living Wage/National Minimum Wage as appropriate for all the time they spend training. This means that for time spent training you must cover any shortfall between the amount you can claim for their wages through this scheme and their appropriate minimum wage.

Employees on statutory notice period

Where you must make redundancies, you should do so in accordance with the normal rules. This includes giving a notice period and consulting staff before a final decision is reached. For claim periods relating to **November, you can continue to claim for a furloughed employee** who is serving a statutory notice period, however grants cannot be used to substitute redundancy payments.

However, for claim periods starting on or after 1 December 2020, **you cannot claim for any days on or after 1 December 2020** during which the furloughed employee was serving a contractual or statutory notice period for the employer (this includes people serving notice of retirement or resignation). If an employee subsequently starts a contractual or statutory notice period on a day covered by a previously submitted claim, you will need to make an adjustment.

HMRC intends to publish details of employers who use the scheme.

There have been many reports of CJRS fraud, and so, in an effort to deter this, for claim periods from December onwards, employees will be able to find out if their employer has claimed for them under the scheme. The following information will be published on GOV.UK:

- The employer name
- An indication of the value of the claim
- The company number for companies and Limited Liability Partnerships (LLPs)

Further detail on how HMRC show the value of the claim will be available shortly.

HMRC will also be improving the information available to employees by including details of furlough claims made for workers in the individual's Personal Tax Account on GOV.UK. This again is for claim periods starting on or after 1 December 2020. HMRC will check claims, and payments may be withheld or need to be paid back if a claim is found to be fraudulent or based on incorrect information.

There are now monthly deadlines for claims.

And finally, the announcement that is making life very difficult for many employers. Claims for periods on/after 1 November must be submitted within 14 calendar days after the month they relate to, unless this falls on a weekend, in which case the deadline is the next week day.

I have already heard from employers who will struggle to meet this new deadline and I have raised these concerns with HMRC who tell me that the new two week cut off for claims was directed by the Chancellor. HMRC have fed all comments back up the chain to HM Treasury but they cannot promise that this deadline will change. The current instruction is that employers must complete their claim by the deadline and take reasonable care to ensure their claim is correct.

The new furlough claim deadlines are as follows:

Claim for furlough days in	Claim must be submitted by
November 2020	14 December 2020
December 2020	14 January 2021
January 2021	15 February 2021
February 2021	15 March 2021
March 2021	14 April 2021

Increase to the Living Wage

Last week (9-15 November) was Living Wage Week and to coincide with that, the real Living Wage rates for 2020/21 were announced as £9.50 in the UK and £10.85 in London. But do not confuse this with the National Minimum Wage and the National Living Wage, as they are very different.

The National Minimum Wage (NMW) and the National Living Wage (NLW) are set by the Government and as such are mandatory. The NMW is the minimum pay per hour almost all workers are entitled to. The NLW is higher than the NMW and applies to workers over the age of 25. It does not matter how small an employer is, they still have to pay the correct minimum wage.

The Living Wage on the other hand is set by the Living Wage Foundation, and is, therefore, voluntary. Employers can sign up to be Living Wage employers. There is a UK rate and a London rate and the rates are higher than the NMW and NLW because they are independently calculated based on the cost of living.

Where's the Budget gone?

For many people, their sole interest in the Budget is finding out whether they will need to pay more for fuel, cigarettes and booze! And let's be honest, that rings true for most of us too. But payrollers do have a professional interest in the Chancellor's annual financial statement because that is when we normally find out what the income tax and National Insurance rates and thresholds will be for the following tax year. It might not be as exciting as cigarettes and booze but it is no less essential.

Although the Budget used to take place in Spring, in the last few years it has been held in the Autumn, which works well for payroll because it gives payroll software providers time to add the new rates into the software for the next tax year. But things didn't go according to plan last year when the scheduled Budget was cancelled as a result of the December General Election, and this year the Budget is not going to take place because of COVID-19. Instead, on 25 November, the Chancellor will deliver a Spending Review, setting out spending plans for the next year.

We don't know whether this announcement will include details of the income tax and National Insurance rates and thresholds for 2021/22, we will just have to wait and see. But it's not all doom and gloom. The Statutory Payment rates are normally announced outside of the Budget in December, and the Low Pay Commission, which advises the government on the level of the minimum wage, has stated that any planned rise may now be "completely unaffordable" due to COVID-19. As a result, it is rumored that Chancellor Rishi Sunak will announce plans to shelve the usual April wage rises next year. But as for the income tax and National Insurance rates, well all we can do for now is cross our fingers and hope for an announcement very soon.

Christmas is coming

RTI reporting obligations

I think everyone will agree that 2020 has been quite a year, yet despite that, Christmas is almost here and the year is nearly over. How did that happen? This year Christmas is likely to be very different from those which have gone before. But in payroll, some things never change, and so it is time for the usual reminder about what payment date to use on your FPS if you pay your workers early at Christmas (or any other time of the year come to that, if the normal pay date falls on a non-banking date.)

Many employers pay their employees earlier than usual over the Christmas period. This can be for a number of reasons, for example during the Christmas period the business may close, meaning workers need to be paid earlier than normal. But paying employees early can affect their entitlement to Universal Credits, so HMRC has issued an easement which, if followed, will protect the worker's entitlement to benefits.

If you pay early, you should report your **normal payment date** on your Full Payment Submission (FPS).

For example: if you pay on 18 December 2020 but your normal payment date is 31 December 2020, you should report the normal date as 31 December 2020. In this example the FPS would need to be sent on or before the 31 December.

Doing this will help protect your employees' eligibility for Universal Credit, because reporting an early payment could affect further entitlements.

For further information, please refer to Employer Bulletin 87 which will be published in early December 2020.

Christmas and furlough

Where a bank holiday (such as Christmas, Boxing Day and New Year) falls inside a worker's period of furlough and the worker would have usually worked the bank holiday, their furlough will be unaffected by the bank holiday.

However, if the worker would usually have the bank holiday as annual leave, employers have two options:

1. The bank holiday is taken as annual leave

If the employer and the worker agree that the employer must pay the correct holiday pay for the worker. Employers may also require workers to take the bank holiday as annual leave with the **correct notice periods**.

2. The bank holiday is deferred

If the employer and the worker agree that the bank holiday (including Christmas and New Year) will not be taken as annual leave at that time, the worker must still receive the day of annual leave that they would have received. This holiday can be deferred till a later date, but the worker should still receive their full holiday entitlement.

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NEST COVID-19 impact survey

NEST is conducting a survey about how the COVID-19 pandemic is affecting UK employers and would like to understand the impact it is having on business and daily lives.

It is likely to be several months before things are back to anything like normal, and so clearly many challenges still lie ahead. NEST is keen to offer support in whatever way it can and would be grateful if you could take the time to complete this **survey** to provide an insight into exactly what those challenges are.

All responses are completely anonymous. You do not need to be a NEST customer, nor do you need to answer all the questions, just those that you feel comfortable answering, as any information you provide will give insight into the problems faced by employers. The **survey** should take around five minutes to complete and closes on 27 November.

November's Payroll Update webinar

This month's Payroll Update webinar will be held on 30 November at 10am. It will be a general payroll update but will naturally focus on the many changes to support jobs and employers which have been announced by the Chancellor in the last few weeks.

Book your place now - <https://buff.ly/2Uibk80>

Payroll support helpdesk now available to PayrockPayroll members

As payroll processing gets ever more complicated, we know that, much as we would like to, none of us can know everything, and here at PayrockPayroll we want to help. As a PayrockPayroll member you have access to our payroll support helpline. Several of you have already used this new service, all you need to do is email your query to payrollsupport@mbkggroup.com but please remember to write your membership number in the subject line, it was included in your membership pack email.

As a reminder, your Tier 2 PayrockPayroll membership includes:

- Payroll Update sessions – Online monthly
- PayrockPayroll e-newsletter – Monthly
- Payroll helpdesk / support - 10 queries
- 1 x Short Course delivery
- PayrockPayroll - Annual Industry Festival – date tbc

Payroll Assistant Manager Level 5 Apprenticeship

We tend to think of apprenticeships as being for younger colleagues or those new to the profession, so we are delighted to be able to deliver the new level 5 apprenticeship for payroll. It is ideally suited to those who have worked in payroll for a while and would like to progress their career.

A level 5 apprenticeship is equivalent to a Foundation Degree, and as this can be funded through the apprentice levy it could be a very cost effective way for an employer to support and develop their more experienced staff members. Smaller employers who do not pay the apprentice levy may still be able to access 95% of the cost of the qualification. We are still taking enrolments for this exciting new apprenticeship. If you would like to know more about what is involved, or about how to access funding for the Payroll Assistant Manager level 5 apprenticeship please email train@mbkggroup.com.