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

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 PayrockPayroll update



COVID-19 update

HMRC writes to 10,000 employers regarding possible CJRS errors

The UK's furlough scheme, properly known as the Coronavirus Job Retention Scheme (CJRS) has now been with us for more than a year now. And even those employers who haven't furloughed staff can not fail to have picked up on just how complicated the system can be.

And as we all know, with complexity comes mistakes. Most often, though not always as I will highlight later, those mistakes are genuine, with either a slip of the finger causing a typo, or a genuine misunderstanding of the rules.

HMRC has now announced that it is writing to 10,000 employers who it thinks may have made a mistakes with their furlough claims. The letter will come from HMRC's Taxpayer Protection Taskforce, which was set up to detect and investigate wrong or fraudulent claims including those under the CJRS.

The Taxpayer Protection Taskforce will be manned by more than 1,250 HMRC employees. With HMRC's annual report revealing that up to £3.5 billion in CJRS payments may have been claimed fraudulently or as a result of error, these letters are likely to only be the first step in a bid to address furlough fraud. Businesses who have claimed under the furlough scheme should make sure they comply with their obligations and prepare for potential enquiries by HMRC.

HMRC has published [guidance](#) on how to pay back CJRS grants which have been overclaimed, or are no longer needed.

Two arrested in relation to alleged £3.4 million furlough fraud

As if to prove a point, it has been widely reported that two people have been arrested in connection with an HMRC investigation into suspected fraudulent use of the CJRS believed to amount to £3.4 million.

Bank accounts holding over £6 million belonging to the individuals have been frozen by HMRC, following a search carried out by its Taxpayer Protection Taskforce.

Recent HMRC [statistics](#) reveal that over £61 billion has been claimed through the CJRS since its introduction, supporting 11.5 million furloughed jobs across 1.3 million employers.

Face to face Right to Work checks further delayed until 21 June

The government has announced that the COVID-19 Right to Work checks, scheduled to be lifted on 17 May, will remain in place until 20 June 2021. These amended procedures, introduced in March 2020 as a result of the COVID-19 pandemic, enable employers to carry out Right to Work checks via video calls instead of in person, and allow job applicants to send scanned copies of identity documents rather than provide originals.

The guidance also states that employers will not have to carry out retrospective checks, ie. will not have to request copies of original documents from those engaged in the last 15 months, once the adjusted right to work checks end.

From 21 June 2021, employers will revert to face to face and physical document checks as set out in legislation and guidance. This date is aligned with the easing of lockdown restrictions and social distancing measures, as set out in the government's roadmap for England and those of the devolved administrations. You can read more information about Right to Work checks on [GOV.UK](#)

What does due diligence mean for you?

Due diligence may not be a phrase that you've ever thought of before, and if you are thinking about it now, you may still believe that it bears no relevance to you and your working life, but that may not be the case.

According to [Investopedia](#) 'due diligence' is "an investigation, audit, or review performed to confirm facts or details of a matter under consideration. In the financial world, due diligence requires an examination of financial records before entering into a proposed transaction with another party"

Which again may not mean anything to you at all. But for any public sector organisation, or any medium or large business in the private sector, off-payroll working is now something to be considered whenever a contractor is hired to provide a service through an intermediary. And a cornerstone of the off-payroll working process is the requirement to perform due diligence. You should perform due diligence to enable you to make a judgement on transactions and the integrity of your supply chain. You should protect your business by testing the credibility, legitimacy, legal and tax compliance of your suppliers, supplies, customers, employees and labour supply.

Failing to take reasonable action to make sure that your supply of labour is legitimate can lead to significant legal, financial and reputational risks to your business. It could even stop your business from operating entirely. You may be liable for unpaid taxes and National Insurance contributions. You may be unable to recover VAT payments and you could be criminally prosecuted with an unlimited fine if someone acting on your behalf facilitates tax evasion.

To reinforce just how important performing due diligence is for a business, HMRC has published new [guidance](#) which provides an overview of the checks that businesses should undertake to assure their labour supply chains.

MBKB's [webinar](#) on off-payroll working explains how payroll and the wider business can be affected if due diligence is not undertaken when considering off-payroll working.

PayrockPayroll Update

MBKB Payroll Factcard 2021-22 now available

The MBKB payroll Factcard, providing the rates, limits and thresholds you will need for the 2021-22 tax year is now available. [Download](#) your copy now.

Payroll support helpdesk 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 service, all you need 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 – Monthly
- PayrockPayroll e-newsletter – Monthly
- Payroll helpdesk / support - 10 queries
- 1 x short course delivery
- PayrockPayroll - Annual Industry Festival

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 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. Enrolments are now open for this exciting 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.

