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

- COVID 19 update
- HMRC news
- Statutory payments
- Employment rights
- PayrockPayroll update



## COVID-19 update

### No extension to the furlough scheme

Although the government has delayed the lifting of all lockdown restrictions until 19 July, previously planned for 21 June, the Chancellor, at the moment at least, does not intend to extend the furlough scheme beyond September. The amount employers who are still furloughing staff can claim from the scheme will begin to taper off from 1 July. The CJRS funding timeline is as follows:

Month	Government contribution	Employer contribution
June	80% of wages (capped at £2,500) for the hours the employee is on furlough	Employer NICs and pension contributions for the hours the employee is on furlough. The employer must also pay the employee for any hours they actually work
July	70% of wages (capped at £2,187.50) for the hours the employee is on furlough	10% of wages (capped at £312.50) plus employer NICs and pension contributions for the hours the employee is on furlough. The employer must also pay the employee for any hours they actually work
August and September	60% of wages (capped at £1,875.00) for the hours the employee is on furlough	20% of wages (capped at £625) plus employer NICs and pension contributions for the hours the employee is on furlough. The employer must also pay the employee for any hours they actually work

### New template for CJRS submissions for more than 16 employees

As the Coronavirus Job Retention Scheme approaches the start of the tapering down period from 1 July, it perhaps feels a little late in the day for HMRC to make it easier to claim a CJRS grant for between 16 and 99 employees, but I'm not going to criticise anything that reduces the administrative burden for payroll.

Up until 27 May, employers could use a template to upload employee details if they had more than 100 employees, however HMRC has now produced a template meaning that employers no longer need to manually upload the information if they want to claim for between 16 and 99 employees.

HMRC has also made it easier for employers to provide all relevant information when submitting the claim, helping to ensure that their claims aren't delayed or rejected. For example, if employers can't provide a National Insurance number for an employee, they can now select a reason for this.

- To claim for between 16-99 employees click [here](#)
- To claim for 100 or more employees click [here](#)

If the employer makes a mistake the file will not be accepted and any errors will be highlighted, so they can be corrected before the claim is re-submitted.

## HMRC news

### National Insurance number digital service now open

An [online service](#) is now open enabling adults to apply for a National Insurance number if they haven't already been allocated one.

The DWP has also re-opened their face to face service, for those who may still need to attend an office to have their identity verified. Initial applications should be made online and applicants will be advised if they need to book a face to face appointment.

However, whilst this is very welcome news, it does come with a caveat, as demand is currently high for the service and applications can take up to 16 weeks to be processed.

If an employee already has a National Insurance number, the quickest way to confirm or share their number is by using their personal tax account to download a confirmation letter or follow the [lost National Insurance number guidance](#).

### Pay HMRC direct from your bank account

Up until now there hasn't been an option open to employers to pay their PAYE or NIC directly through their bank account, however that is all changing. The latest edition of [Employer Bulletin](#) explains that employers can now pay HMRC straight from their bank account without the need to enter card details or worry about card fees.

The new process uses Open Banking technology to offer a seamless journey, all within the HMRC domain. Customers must log on to their HMRC online account. Open Banking technology connects the customer to their online bank to authorise a secure payment and then returns them to HMRC.

All payment details will be pre-populated and carried through the journey so you know that the correct payment reference number will be used.

Initially open to customers using their online accounts, the service will be extended to those who do not wish to use an online account and other regimes in the near future.

## Statutory payments

### Calculating statutory payments when off-payroll working rules apply

There has been a lot of advice and guidance published since the expansion of off-payroll working into the private sector in April 2021, and impacted employers should be able to find any help that they need. But as the guidance makes clear, workers providing their services through an intermediary are added to the payroll for the sole purpose of collecting PAYE tax and NIC, they are not employees with the associated employment rights. So what happens if the worker is sick or taking a child related absence? The answer is that the intermediary is the worker's employer, so the intermediary is responsible for making these statutory payments. HMRC has published new [guidance](#) which explains how intermediaries can calculate statutory payments for their workers where the off-payroll working rules apply.

### Gross earnings

A worker's entitlement to statutory payments is calculated by using all the gross earnings subject to Class 1 National Insurance contributions from a relevant period dependent upon the statutory payment being made. However, when off-payroll working income is paid to a worker's intermediary, it is already net of income tax and Class 1 primary National Insurance contributions.

The new [guidance](#) gives three different ways that the gross amount of off-payroll working income can be taken into consideration when calculating statutory payment entitlement. The functionality of the payroll software in use will determine which of these options can be used. Intermediaries will therefore need to check the payroll software they use and follow the option that works for them.

Some payroll software and service solutions may have incorporated automated calculations to facilitate automated statutory payment calculations whereas others may require manual adjustments.

### Shared parental leave and pay calculator

Although Shared Parental Leave (SPL) and Shared Parental Pay (ShPP) were introduced in 2015, there are still very few requests, suggesting that employers (and their employees) are generally unfamiliar with the rules. It is perhaps with this in mind that, on 17 June, the Department for Business, Energy and Industrial Strategy (BEIS) introduced an online tool for parents to access and understand shared parental leave and pay.

Available in England, Scotland and Wales, employees may be able to get SPL and ShPP if they've had a baby or adopted a child. In simple terms employees can start SPL if they're eligible and they or their partner end their maternity or adoption leave or pay early. The remaining leave will be available as SPL. The remaining pay may be available as ShPP.

But SPL and ShPP are anything but simple. Parents are able to agree a pattern of leave that works for them and their employer, and can take leave and pay in up to three blocks (more if their employer agrees), returning to work between periods of leave if they wish. Eligible parents can spend up to 6 months off work together or alternatively stagger their leave and pay so that one of them is always at home with their child in the first year

To help employees and their employers through the complexity, this new online tool will enable parents to find out:

- How and when they can take Shared Parental Leave alongside Maternity, Adoption and Paternity Leave
- How much Statutory Shared Parental Pay they're entitled to while they take their leave (though an employer might offer more than the statutory amount)
- When they need to give notice to their employer

The online tool covers both SPL and ShPP, and makes it possible to check eligibility, calculate pay entitlements and download the documents needed to secure leave from an employer. They can choose to share the plan with other people (for example, their partner or employer) but it will not be shared with anyone automatically.

The tool can be accessed on the following link <https://www.gov.uk/plan-shared-parental-leave-pay> and more detailed guidance is available on <https://www.gov.uk/shared-parental-leave-and-pay>

If you have any queries on this or any other complex topic, you can email the MBKB payroll support service for help and advice on [payrollsupport@mbkbgroup.com](mailto:payrollsupport@mbkbgroup.com)

## Employment rights

### Statutory body for enforcing workers' rights

Although a long time in the making, the government has [announced](#) the launch of a workers' watchdog that will take responsibility for tackling modern slavery, enforcing the minimum wage and protecting agency workers. The new enforcement body will gain new powers, giving it the ability to ensure vulnerable workers get the holiday pay and statutory sick pay they are entitled to, without having to go to an employment tribunal. It will also produce guidance on best practice to help employers understand the rules.

Responsibility for tackling modern slavery, enforcing the minimum wage and protecting agency workers is currently spread across three different bodies but this will now be brought under one roof, creating a comprehensive new authority, ensuring that businesses that break the rules have nowhere to hide.

The government believes this 'one-stop shop' approach will help improve enforcement through better co-ordination and pooling intelligence. The new watchdog will also enhance workers' rights by providing a single, recognisable port of call for workers so they know their rights and can blow the whistle on bad behaviour.

The watchdog will retain HMRC's powers to [name and shame](#) employers who breach minimum wage rules. The government said it would use [distinct naming rounds](#) by types of breach, and that this approach would be extended to enforce holiday pay for vulnerable workers and statutory sick pay.

No date has been given for the introduction of this new enforcement body as new primary legislation is needed when parliamentary time allows.

### John Lewis to equalise maternity and paternity leave

John Lewis Partnership has long been hailed as a beacon of good practice when it comes to employee-friendly policies, an accolade it looks set to maintain following its recent announcement that it will become the first UK retailer to launch six months' equal parenthood paid leave for its employees, or "partners" as they are known at John Lewis.

From this autumn, all partners, regardless of how they have become a parent, will receive 26 weeks paid leave (14 weeks at full contractual pay and 12 weeks at 50% contractual pay) once they have worked for the Partnership for one year.

Sharon White, chairman of the John Lewis Partnership, said: "As an employee-owned business, equality matters to us. We want John Lewis and Waitrose to be a place for everyone and for people from all walks of life to feel valued so they can thrive in our business. We want to be there for our partners to support them in important life moments, whether that's stepping into the world of work for the first time, or becoming a parent."

John Lewis Partnership, which employs 80,000 people across its John Lewis and Waitrose brands, announced the new policies as part of plans to redefine its responsibilities towards equality, which was a founding principle of the company when it was formed almost 100 years ago.

The common expectation that childcare falls to mothers helps the gender pay gap and many other workplace inequalities to thrive. So this announcement is undoubtedly good news and a huge step forward in supporting working mothers and fathers to look after their children. But the big question is, will more businesses follow suit and enable both parents to take parental leave?

## PayrockPayroll Update

### PayrockPayroll virtual networking event

You are invited to a PayrockPayroll virtual networking event on 9 July between 1- 2.30pm. The event will have three elements:

- Meet with other payroll practitioners and share experiences and opinions about a hot topic. This month the discussion will focus on the National Minimum Wage and how the increase of homeworking has the potential to make monitoring and observing NMW rules much more difficult

- Meet members of the PayrockPayroll team

- Find out more about PayrockPayroll membership and our training courses

If you are interested in networking with your fellow payroll colleagues [book your place](#) at this event now.

### 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@mbkbgroup.com](mailto:payrollsupport@mbkbgroup.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 - National Industry Festival

