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## COVID-19 – Coronavirus Job Retention Scheme – Summary for employees

### Links

#### HMRC Website links:

- [Work out 80% of your employees to claim through the CJRS](#) (includes calculated examples)
- [CJRS claim Calculator](#) (currently only suitable for fixed pay employees – to be updated to include variable pay)
- [How to claim](#) (will need to claim through your Government Gateway)

#### Links to ICAEW:

- [The CJRS: furlough guidance](#)

[Links to Moneysoft \(payroll software\)](#) (includes guidance on furloughing employees)

#### [Link to The Pensions Regulator](#)

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## Key Points:

If you cannot maintain your current workforce because your operations have been severely affected by coronavirus (COVID-19), you can furlough employees and apply for a grant that covers 80% of their usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and pension contributions (up to the level of the minimum automatic enrolment employer pension contribution) on that subsidised furlough pay.

This is a temporary scheme in place for 4 months starting from 1 March 2020, but it may be extended if necessary and employers can use this scheme anytime during this period. It is designed to help employers whose operations have been severely affected by coronavirus (COVID-19) to retain their employees and protect the UK economy. However, all employers are eligible to claim under the scheme and the government recognises different businesses will face different impacts from coronavirus.

The way to make a claim is online (see links above) - the service should be simple to use and any support you need available on GOV.UK.

## Employees you can claim for

You can only claim for furloughed employees that were employed on 19 March 2020 and who were on your PAYE payroll on or before 19 March 2020. This means an RTI submission notifying payment in respect of that employee to HMRC must have been made on or before 19 March 2020. The employees can be on any type of contract, including:

- full-time employees
- part-time employees
- employees on agency contracts
- employees on flexible or zero-hour contracts

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The scheme also covers employees who were made redundant since 28 February 2020, if they are rehired by their employer.

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## Full time and part time employees

Where a claim covers multiple pay periods, this calculation should be done for each and then added together.

Claim for the 80% of the employee's wages, from their last pay period before 19 March 2020.

If you have already calculated your claim based on the employee's wages as of 28 February 2020, and this differs from their wages in their last pay period prior to 19 March 2020, you can choose to still use this calculation for your first claim. Fees, commission and bonuses should not be included.

## Employees whose pay varies

If the employee has been employed (or engaged by an employment business) for a full twelve months prior to the claim, you can claim for the higher of either:

- the same month's earning from the previous year (ie April 2020 based on April 2019, May 2020 based on May 2019 etc)
- average monthly earnings from the 2019-20 tax year

If the employee has been employed for less than a year, you can claim for an average of their monthly earnings since they started work.

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## Employer National Insurance and Pension Contributions

All employers remain liable for associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on behalf of their furloughed employees.

You can claim a grant from HMRC to cover wages for a furloughed employee, equal to the lower of 80% of an employee's regular salary or £2,500 per month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on paying those wages. An employer can also choose to top up an employee's salary beyond this but is not obliged to under this scheme.

Employer National Insurance Contributions and automatic enrolment contribution on any additional top-up salary will not be funded through this scheme. Nor will any voluntary automatic enrolment contributions above the minimum mandatory employer contribution of 3% of income above the lower limit of qualifying earnings (which is £512 per month until 5th April and will be £520 per month from 6th April 2020 onwards).

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## Income tax and Employee National Insurance

Wages of furloughed employees will be subject to Income Tax and National Insurance as usual. Employees will also pay automatic enrolment contributions on qualifying earnings, unless they have chosen to opt-out or to cease saving into a workplace pension scheme.

Employers will be liable to pay Employer National Insurance contributions on wages paid, as well as automatic enrolment contributions on qualifying earnings unless an employee has opted out or has ceased saving into a workplace pension scheme.

## Other HMRC COVID-19 links

### [Support for business](#)

List of schemes available and how to access the support - updated regularly

### [Guidance for employees](#)

Details on SSP, proof of sickness, Furlough, benefits

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