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Furlough Scheme Extended to end of March

The Chancellor Rishi Sunak has today announced that the **Coronavirus Job Retention Scheme (CJRS) is to be extended until March 2021** following the introduction of national lockdowns and the resulting deterioration in the country's economic situation.

The furlough scheme was originally due to end on 31 October and only a few days ago Mr Sunak announced a one month extension for November.

We will continue to make claims on behalf of all clients with furloughed workers who use our payroll service.

As a result of the CJRS extension **the proposed £1,000 Job Retention Bonus has been mothballed**. This was designed to support employers who retained previously furloughed staff until January.

The Chancellor also announced today that the next instalment of the **Self-Employed Income Support Scheme (SEISS) covering November to January will be increased to 80% of average profits**, up to a cap of £7,500. This is an increase from 55% that was only announced on Monday.

More information on today's policy announcements can be found here: [economic support factsheet](#)

HMRC have also today released some more details on how the CJRS will work for

the period from 1 November 2020 to 31 January 2021. **HMRC have promised full guidance will be published next Tuesday 10 November.**

<https://www.gov.uk/government/publications/extension-to-the-coronavirus-job-retention-scheme/extension-of-the-coronavirus-job-retention-scheme>

The guidance for claim periods from February onwards will be published following a government review in January.

Headline CJRS features for the scheme from 1 November 2020 to 31 January 2021

- Employees will receive **80% of their usual salary for hours not worked, up to a maximum of £2,500 per month.** The £2,500 cap is proportional to the hours not worked.
- **Employers do not need to have used the CJRS previously.**
- Employers across the UK can claim, whether their **businesses are open or closed.**
- **Employees do not need to have been furloughed under the CJRS previously.**
- As under the CJRS previously, **Employees cannot undertake any work for their employer during the hours that the employer records them as being on furlough.**
- Employers can claim for employees who were employed and **on their PAYE payroll on 30 October 2020.**
- The employer must have made a PAYE RTI submission to HMRC between the 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee.
- Employees that were employed and on the payroll on 23 September 2020 who were made redundant or stopped working for their employer afterwards can be re-employed and claimed for.
- Employers will have flexibility to use the scheme for employees for any amount of time or shift pattern, furloughing employees on either a full-time or part-time basis, and will be able to vary the hours worked in agreement with the employee.
- **There is no minimum furlough period.** Flexible furlough agreements can last any amount of time. Employees can enter into a flexible furlough agreement more than once.
- The period claimed for must be for a **minimum claim period of 7**

consecutive calendar days.

- **Employers will have to cover all employer National Insurance and pension contributions.**
- Employers will have to pay the employee's wages for the hours they work as normal.
- Employees can be furloughed where they are unable to work because they:
 - are shielding in line with public health guidance (or need to stay at home with someone who is shielding); or
 - have caring responsibilities resulting from coronavirus, including employees that need to look after children
- The CJRS is not intended for short-term sick absences.
- Employers will be able to use the CJRS calculations as applied in August 2020 for reference pay and usual hours for all employees on an RTI submission on or before 19 March 2020
- There will be different calculations for new employers claiming and new employees hired between 20 March 2020 and 30 October 2020
- Claims can be made from 8am Wednesday 11 November 2020.
- **Claims relating to November 2020 must be made by 14 December 2020.**

As a reminder, the closing date for claims up to and including 31 October remains 30 November 2020.

As always please call us if you have any queries. We will send another bulletin once we get more details next week.

The Allens Team



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