

# **IRIS Payroll**

COVID-19 Job Support Scheme  
Payroll Processing Changes

1 November 2020

# Contents

<b>Coronavirus Job Retention Scheme</b> .....	<b>3</b>
<b>Job Retention Bonus</b> .....	<b>3</b>
What you need to do now.....	3
<b>Job Support Scheme</b> .....	<b>4</b>
Summary of Changes .....	4
Expansion of Job Support Scheme .....	4
<b>Preparing for the Job Support Scheme</b> .....	<b>5</b>
<b>Preparation - Create New Pay Elements</b> .....	<b>5</b>
Job Support Scheme Expansion .....	5
Job Support Scheme .....	6

## Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme (CJRS) or Furlough Scheme ends on the 31st October 2020. The scheme will be replaced by the Job Support Scheme and the Job Support Scheme Expansion.

## Job Retention Bonus

For every eligible employee you furloughed and claimed for through the Coronavirus Job Retention Scheme (CJRS) and kept continuously employed until at least the 31st January 2021, you will be able to claim a one-off payment of £1,000. You do not have to pay this money to your employee.

To be eligible, employees must earn at least £1,560 between the 6th November 2020 and 5th February 2021 and have received earnings in the November, December, and January tax months. Employees must also not be serving a contractual or statutory notice period for you on 31st January 2021.

Once you have submitted PAYE information for the period up to the 5th February 2021, you will be able to claim the bonus from the 15th February until the 31st March. HMRC will let you know how you can make a claim when further guidance is published by the end of January.

You can still claim the Job Retention Bonus if you make a claim for the same employees through the Job Support Scheme, as long as you meet the eligibility criteria for both.

Further information and examples can be found [here](#).

## What you need to do now

If you intend to claim the Job Retention Bonus, you must:

- keep your PAYE submissions up-to-date and on time, with Real Time Information (RTI) reporting for all employees, including reporting the leaving date for any employees that stop working for you in the month they leave or the next Full Payment Submission
- use the irregular payment pattern indicator in RTI for any employees not paid regularly
- provide any employee data for past CJRS claims that HMRC has requested
- make sure all your CJRS claims have been accurately submitted and you have told HMRC about any changes needed (for example if you have received too much or too little)

# Job Support Scheme

## Summary of Changes

The Government recently announced the Job Support Scheme (JSS) to protect jobs where businesses remain open but are facing lower demand over the winter months, due to COVID-19.

Under JSS, if your employees are working fewer than normal hours due to decreased demand, the Government will contribute towards their wages. You will continue to pay the wages for the hours your staff work. The minimum hours required for employees to work has dropped from 33% to 20% and the employer contribution for non-worked hours has dropped from 1/3 to 5%.

The Government will pay 61.67% of hours not worked, up to a cap of £1,541.75 per month, with the employer contributing 5% of non-worked hours up to a cap of £125 per month. These caps are based on a monthly reference salary of £3,125. This will ensure employees earn a minimum of at least 73% of their normal wages, where their usual wages do not exceed the reference salary. The employee will have to work a minimum of 20% of their normal hours. For the Job Support Scheme factsheet click [here](#)

## Expansion of Job Support Scheme

On the 9<sup>th</sup> of October, the Government announced an expansion of the JSS, to provide temporary support to businesses whose premises have been legally required to close as a direct result of coronavirus restrictions.

Under this expansion, affected businesses will receive grants towards the wages of employees who have been instructed to and cease work. This will cover businesses that, as a result of restrictions set by one or more of the four Governments of the UK, are legally required to close their premises, or to provide delivery and collection services only from their premises.

The Government will pay two thirds of employees' usual wages, up to a maximum of £2,100 per month. You will not be required to contribute towards wages but do need to cover employer National Insurance and pension contributions.

You can apply for the JSS including the new expansion even if you have not previously used the Coronavirus Job Retention Scheme (CJRS). JSS is available from the 1<sup>st</sup> of November for six months, with payment of grants in arrears from early December. The scheme will be reviewed in January.

For more information on the Job Support Scheme expanded to firms required to close, due to COVID-19 restrictions, click [here](#). For the Job Support Scheme Expansion factsheet click [here](#)

Further information will be published by HMRC in the coming weeks.

## Preparing for the Job Support Scheme

To help you prepare your JSS claim accurately, we anticipate that it will be important for you to identify the pay element(s) used to make Job Support Scheme payments.

Currently we have no guidance from HMRC to explain the claim calculation process, or what information will be required to make a JSS claim. We would therefore advise you to create separate pay elements for JSS and/or JSS Expansion payments so that any software changes will be able to identify the payments later.

## Preparation - Create New Pay Elements

### Job Support Scheme Expansion

For employees being paid using the JSS Expansion, we recommend you create a new payment with a name that is easily identifiable e.g. **JSS Business Closed** or choose a description that you think better fits your business needs.

To do this:

1. From the **Company** menu, select **Payments & Deductions | Configure Payments & Deductions**
2. Click **Add New**

The screenshot shows a software window titled "Create Payment/Deduction". It contains a form for configuring a new payment. The "Name" field is filled with "Furlough Payment" and the "Type" dropdown is set to "Payment". Under "Tax & NI Basis", the checkboxes for "Taxable", "Niable", "Pensionable Earnings", and "Qualifying Earnings" are all checked. The "Method" is set to "Value". The "P11D Category" is set to "<None>". The "Save" button is highlighted in yellow.

3. From the **Type** dropdown, choose **Payment**
4. Tick the **Taxable**, **Niable**, **Qualifying Earnings** and **Pensionable Earnings** boxes

Once saved, you can use the new payment to pay your JSS Expansion payments. If your employees are normally paid using hours & rates, you could create a new hourly rate following the guidance in the next (Job Support Scheme) section.

Things to consider

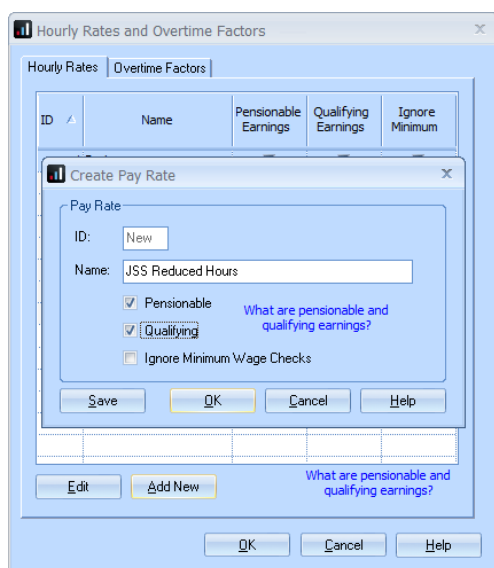
- You will have to alter the employee's normal payment each time you process payroll. Alternatively, you could temporarily set the standard pay to zero in the employee's record

## Job Support Scheme

For JSS paid employees, we recommend you create a new pay rate with a name that is easily identifiable e.g. **JSS Reduced Hours** or choose a description that you think better fits your business needs.

To do this:

1. From the **Company** menu, choose **Hourly Rates**
2. Select the **Hourly Rates** tab and click **Add New**



The screenshot shows a software window titled "Hourly Rates and Overtime Factors". It has two tabs: "Hourly Rates" (selected) and "Overtime Factors". Below the tabs is a table with columns: ID, Name, Pensionable Earnings, Qualifying Earnings, and Ignore Minimum. A "Create Pay Rate" dialog box is open in the foreground. The dialog box has fields for "ID" (set to "New") and "Name" (set to "JSS Reduced Hours"). It has three checkboxes: "Pensionable" (checked), "Qualifying" (checked), and "Ignore Minimum Wage Checks" (unchecked). There is a blue link text "What are pensionable and qualifying earnings?" next to the checkboxes. At the bottom of the dialog are buttons: "Save", "OK", "Cancel", and "Help". Below the dialog, in the main window, are buttons "Edit" and "Add New" (highlighted in yellow), with the same blue link text "What are pensionable and qualifying earnings?" next to them. At the very bottom of the main window are buttons "OK", "Cancel", and "Help".

3. Tick the **Pensionable & Qualifying** boxes

Things to consider

- You will have to alter the normal pay each time you process payroll, or you could temporarily amend the pay in the employee's record
- We do not know if hours worked will be part of the JSS or JSS Expansion claim process. We have not received any guidance from HMRC regarding what data will be required during the claim process. They have advised us that software developer guidance will be issued shortly

## Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: <a href="mailto:helpdesk@ir-efile.gov.uk">helpdesk@ir-efile.gov.uk</a>	

## Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls	For IRIS Payroll Professional
Tel: 0344 815 5656	Tel: 0344 815 5676	Tel: 0345 057 3708
Email: <a href="mailto:sales@iris.co.uk">sales@iris.co.uk</a>	Email: <a href="mailto:earniesales@iris.co.uk">earniesales@iris.co.uk</a>	Email: <a href="mailto:payrollsales@iris.co.uk">payrollsales@iris.co.uk</a>

## Contact Support

Your Product	Phone	E-mail
IRIS PAYE-Master	0344 815 5661	<a href="mailto:payroll@iris.co.uk">payroll@iris.co.uk</a>
IRIS Payroll Business	0344 815 5661	<a href="mailto:ipsupport@iris.co.uk">ipsupport@iris.co.uk</a>
IRIS Bureau Payroll	0344 815 5661	<a href="mailto:ipsupport@iris.co.uk">ipsupport@iris.co.uk</a>
IRIS GP Payroll	0344 815 5681	<a href="mailto:gpsupport@iris.co.uk">gpsupport@iris.co.uk</a>
IRIS GP Accounts	0344 815 5681	<a href="mailto:gpaccsupport@iris.co.uk">gpaccsupport@iris.co.uk</a>
Earnie or Earnie IQ	0344 815 5671	<a href="mailto:earniesupport@iris.co.uk">earniesupport@iris.co.uk</a>
IRIS Payroll Professional (formerly Star)	01273 715300	<a href="mailto:payroll-support@iris.co.uk">payroll-support@iris.co.uk</a>

IRIS is a trademark.

© IRIS Software Group Ltd 11/2019.

All rights reserved.