Earnie IQ

COVID-19 – Furlough Job Retention Scheme Changes and Important

July 2020

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Contents

Coronavirus Job Retention Scheme (CJRS)

The Coronavirus Job Retention Scheme has been subject to numerous changes; here we will try and summarise some of those that are upcoming.

Important Dates

10th June 2020

The last date to furlough an employee who has not been furloughed before is the 10th June. Newly furloughed employees must be furloughed on or before the 10th June, ensuring they meet the criteria of a minimum 3-week period by the 30th June.

* Please click **here** for the exceptions to this rule.

1st July 2020

From the 1st of July, you will have the flexibility to bring previously furloughed employees back to work part time and can apply for a scheme grant to cover any of their normal hours they are still furloughed for. When making a claim, HMRC require the normal hours worked in a claim period, the actual hours worked in the claim period, and the furlough hours not worked in the claim period.

From 1st July, any future CJRS claims must be for calendar months only and cannot span different months, for instance 6th July – 5th August.

31st July 2020

For both newly furloughed employees and those previously furloughed and claimed for, you have up until the 31st July to make a claim for any periods of furlough up until the 30th June.

1st August 2020

Employers must start contributing for the wage costs of paying furloughed employees. From the 1st August, an employer cannot claim Employer's NI or Employer's pension contributions on any future furlough payments.

1st September 2020

Employers must still pay furloughed employees 80% of their wage but can only reclaim 70%.

1st October 2020

Employers must still pay furloughed employees 80% of their wage but can only reclaim 60%.

Summary of contribution changes

Changes to Government contributions, required employer contributions and the amount the employee receives when they are 100% furloughed:

	July	August	September	October
Government contribution: employer NICs and pension contributions	Yes	No	No	No
Government contribution: wages	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875
Employer contribution: employer NICs & pension contributions	No	Yes	Yes	Yes
Employer contribution: wages	-	-	10% up to £312.50	20% up to £625
Employee receives	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month	80% up to £2,500 per month

* There are exceptions to the rule that the last date to furlough an employee who has not been furloughed before is the 10th June. This relates to employees returning from extended leave of absence, such as maternity/paternity leave. However, this will only apply where they work for an employer who has previously furloughed employees. For further information on this announcement, click **here**.

What the Software will and will not do

Will do

You must continue to pay furloughed staff 80% of their pay, using the furlough payments identified in the Company Options section. A furloughed employee must be paid 80% of their wages in September and October, even though the employer cannot claim all the 80% payment back. The software will automatically claim the reduced figure the employer is permitted to claim.

The software allows you to identify the rates/hours element used for flexibly furloughed employees being paid part-time hours. You must make the payments in hours because hours are part of the claim process and output file required by HMRC.

Flexibly furloughed employees are still considered furloughed i.e. they should have a Furlough Start Date

1. The software will stop you claiming across calendar month ends e.g. You cannot claim for 16th June to 15th July. You can claim for 16th to 30th June then make a separate claim in July
2. If you **are not** flexibly furloughing any employees, the software will be able to calculate the reclaim values accurately for July to October
3. If you **are** flexibly furloughing employees and the period the employee is paid for does not cross a calendar month, the software will be able to calculate the reclaim values accurately for July to October
   a. Paying monthly employees for work done 1st to 31st July will calculate correctly
   b. Paying weekly employees for work done 13th to 19th July will calculate correctly

Will not do

1. If you **are** flexibly furloughing employees and the period the employee is being paid for crosses a calendar month, the software will not be able to calculate the reclaim values accurately for July to October
   a. Paying monthly employees for work done 6th July to 5th August will **not** calculate correctly. Additional information must be added to the spreadsheet we have provided with the update
   b. Paying weekly employees for work done 27th July to 2nd August will **not** calculate correctly. Additional information must be added to the spreadsheet we have provided with the update

What to do in Earnie IQ

Step 1 - Preparation - Create New Hourly Rate

You only need to do this if you are flexibly furloughing employees. Even if you normally pay salary, for the calculation to work correctly, you <u>must</u> pay your employees using hourly rates. Use part-time hours for the hours the employee actually works and for furlough hours for when the employee is not working i.e. on furlough.

To do this:

1. From the **Company** menu, choose **Alter Company Details**

2. Select the **Pay Rates** tab and click **Add New**
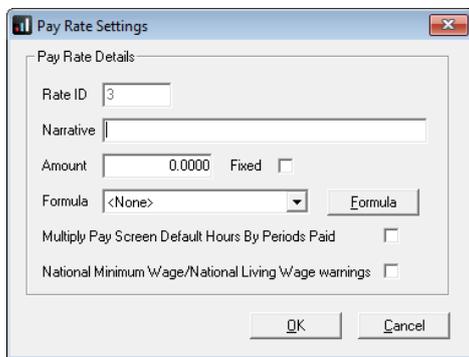
You will have to indicate that the new hourly rate is part of Qualifying and Pensionable Earnings

To do this:

1. Go to the **Pension** menu

2. Select **Configure Earnings**

3. Next to the relevant **Pay Rate**, tick **Qualifying Earnings** and **Pensionable Earnings**

4. Then **Save/OK**
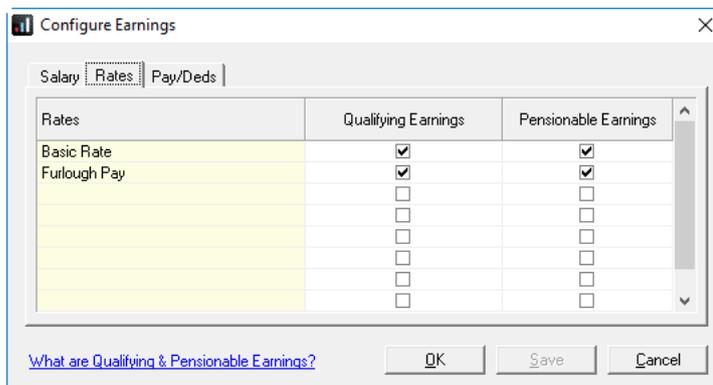
Step 2 - Identify New Hourly Rate(s) as Part-Time/Furlough

You only need to do this if you are flexibly furloughing employees. Identify the pay element(s) you have used to make furlough payments and part-time payments.

To do this:

1. From the **Company** menu, select **Company Options**

2. Click the **Furlough** button and then select the **Furlough Values** tab

3. Tick the **Part Time** column for any rate used specifically to make part-time payments for flexibly furloughed employees

Things to consider

- If you process costing in Earnie IQ and you have the **Cost By Rates** option set, you will need to assign a nominal code to the new hourly rate. To do this go to **Company | Accounts Link | Configure Accounts Link | Rates** tab and enter a nominal code for the furlough payment

Step 3 – Print Employee Furlough Report

Part time hours have been added to the Furlough Report.

To print the report:

1. From the **Company** menu, select **Company Options**

2. Click the **Furlough** button

3. Select the **Start Period** and **End Period** for your report

4. Click the **Print** button

5. The report will show you which employees have furlough payments, but it will not calculate your reclaim values. You must create an output file to see your reclaim values. If you have fewer than 100 employees, you cannot upload the file, but it will provide all the values you need to type your data into the JRS Portal

Step 4 – Create Output File for JRS Portal

The output file format has changed. For employees being flexibly furloughed, hours must be included in the file. All headings and bank details have been removed. Any hours identified as Part Time for furlough are included in the **Actual Hours** column of the output file.

Employee Name	NINO	Payroll Reference Number	Furlough Start Date	Furlough End Date	EmployeeClaimAmount	Normal Hours	Actual Hours	Furlough Hours
Forename1 Surname1	AB123456C		16/04/2020	16/04/2020	£	37	10	27
Forename2 Surname2	AB123456C		16/04/2020	16/04/2020	£			
Forename3 Surname3	AB123456C		16/04/2020	16/04/2020	£			
Forename4 Surname4		111111	16/04/2020	16/04/2020	£			
Forename5 Surname5	AB123456C		16/04/2020	16/04/2020	£			
Forename6 Surname6	AB123456C		16/04/2020	16/04/2020	£			
Forename7 Surname7	AB123456C		16/04/2020	16/04/2020	£			
Forename8 Surname8	AB123456C		16/04/2020	16/04/2020	£			
Forename9 Surname9		222222	16/04/2020	16/04/2020	£			
Forename10 Surname10	AB123456C		16/04/2020	16/04/2020	£			
Forename11 Surname11	AB123456C		16/04/2020	16/04/2020	£			
Forename12 Surname12	AB123456C		16/04/2020	16/04/2020	£			
Forename13 Surname13	AB123456C		16/04/2020	16/04/2020	£			
Forename14 Surname14	AB123456C		16/04/2020	16/04/2020	£			

Create the Job Retention Scheme Claim file

Create the Job Scheme Retention Claim file for upload to the JRS Portal. If you have fewer than 100 employees furloughed, you can also use the values to type your data into the JRS Portal. You will need Microsoft Excel to view the file that will be created.

To create the output file:

1. From the **Company** menu, select **Company Options**

2. Click the **Furlough** button

3. On the **Furlough Claim** tab, in the **Claim Period** section, you must now enter your **Claim Start Date** and **Claim End Date.** Take care when entering the Claim Period. You are only allowed to make a single claim for the same claim period

4. If you identified your furlough payments, click **Create File**

5. If you did not identify your furlough payments, to calculate your reclaim values for each employee, you will have to manually enter your furlough payment values in the spreadsheet and click the **Create File** button

6. If you have Microsoft Excel the file will be opened so that you can view your claim calculation before creating the file. If you do not have Excel, the file will be saved in the folder designated as your output folder for Earnie IQ files

7. You may have to select the **Enable Content** button before you can click **Get Data** on the **Detail** tab

8. Click **Get Data** to populate the **Detail** tab and calculate your reclaim values

9. The Output location and filename are displayed on rows 6 and 7 of the sheet

10. Claim values are displayed to the right of the **Detail** tab

Claim Period Values								NI Claim						Pension Claim					
First Claimable Date In Pay Period	Last Claimable Date In Pay Period	Furlough Days in Claim Period	Furlough Hours in Claim Period	Pay for Furlough Hours in Claim Period (£)	Part Time Furlough Hours in Claim Period	Pay for Part Time Furlough Hours in Claim Period (£)	Furlough Reclaim	NI Letter	ER's NI	Secondary Threshold	Apportioned Threshold	Claimable NiAble Pay	NI Reclaim	ER's Pension	Qualifying Earnings Lower Threshold	Apportioned Threshold	Claimable Pensionable Pay	Pension Reclaim	Total Reclaim
01/07/2020	31/07/2020	31	0.00	0.00	0.00	0.00	2500.00	A	243.98	732	732.00	2500.00	243.98	0.00	520.00	520.00	2500.00	0.00	2743.98
01/07/2020	31/07/2020	31	150.00	2400.00	0.00	0.00	2400.00	A	312.98	732	732.00	2400.00	230.18	90.00	520.00	520.00	2400.00	56.40	2686.58
01/07/2020	31/07/2020	31	160.00	2500.00	0.00	0.00	2500.00	A	252.26	732	732.00	2500.00	243.98	76.80	520.00	520.00	2500.00	59.40	2803.38
01/07/2020	31/07/2020	31	155.00	2480.00	0.00	0.00	2480.00	A	326.78	732	732.00	2480.00	241.22	93.00	520.00	520.00	2480.00	58.80	2780.02
01/07/2020	31/07/2020	31	151.66	1119.25	0.00	0.00	1119.25	M	0.00	732	0.00	1119.25	0.00	33.58	520.00	0.00	1119.25	0.00	1119.25

11. If you wish to make any manual amendments, on the **Import** tab, you can amend data or add any missing employees, return to the **Detail** tab and select **Get Data**. This will recalculate your claim values for you

12. If you simply wish to amend data on the **Detail** tab before creating the output file, you can. Your CJRS reclaim values will not be recalculated for you.

13. To create the output file for uploading to the HMRC Portal/generate the data for typing into the HMRC portal, on the **Detail** tab, click **Generate Export File**

	A	B	C	D	E	F	G	H	I
1	**Export**		C:\Program Files (x86)\Intex Software\Earnie IQ\Output Files\002PV92746639_010720.csv						
2	Employee Name	NINO	Payroll Reference Number	Furlough Start Date	Furlough End Date	Employee Claim Amount	Normal Hours (furlough added together)	Actual Hours (PartTime Worked)	Furlough Hours (Non Worked)
3	Craig Alison	RB679608A	1	15/04/2020		2743.98	0.00	0.00	0.00
4	Walmsley Carl	CW898724A	2	01/04/2020		2686.58	150.00	0.00	150.00
5	Bradshaw Gillian	HB893483A	3	01/04/2020		2803.38	160.00	0.00	160.00
6	Helmrich Neil	NH782347A	4	01/06/2020		2780.02	155.00	0.00	155.00
7	Valentine Lucy	RB679608A	5	01/04/2020		1119.25	152.00	0.00	152.00

Flexible furlough across month-end

If you flexibly furlough employees in a pay period, where the period you are paying for crosses a calendar month end, you will need to make amendments in the spreadsheet to calculate your furlough reclaim correctly.

To create the output file:

1. From the **Company** menu, select **Company Options**

2. Click the **Furlough** button

3. Select your **Claim Period**. If you have weekly and monthly paid employees, they must all be included in a single claim

   Take care when entering the **Claim Period**. You can only make a single claim for the same claim period. You cannot claim across calendar month end e.g. 27th July to 02nd August

4. Click the **Create File** button

5. If you have already created a file for this claim period, you will be prompted to overwrite the existing file

6. The spreadsheet will open on the **Detail** tab

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7. Click the **Get Data** button. You may have to enable content

8. If your pay period crosses the end of a calendar month, you must enter data into the four columns to the right for your flexibly furloughed employees. Click on the **Import** tab

	Furlough Payments (£)	Furlough Hours in Pay Period	Pay for Furlough Hours in Pay Period (£)	Part Time Furlough Hours in Pay Period	Pay for Part Time Furlough Hours in Pay Period (£)	ER's NI	ER Pension	Furlough Hours in Claim Period	Pay for Furlough Hours in Claim Period (£)	Part Time Furlough Hours in Claim Period	Pay for Part Time Furlough Hours in Claim Period (£)	
								Only use these columns for pay periods not fully covered by claim period				
	2500.00	0.00	0.00	0.00	0.00	243.98	0.00					
	0.00	150.00	2400.00	0.00	0.00	312.98	90.00					
	0.00	160.00	2560.00	0.00	0.00	252.26	76.80					
	0.00	155.00	2480.00	0.00	0.00	326.78	93.00					
	0.00	151.66	1119.25	0.00	0.00	0.00	33.58					

  a. The four columns to the left of **ER's NI** display the Furlough Hours with Pay value and the Part Time hours with Pay value that have been processed through payroll in the pay period

  b. In the four columns to the right of **ER Pension**, you must enter the Furlough Hours with Pay value and the Part Time Hours with Pay value that are associated with the claim period only

9. Once you have entered the data, select the **Detail** tab and click **Get Data**. The **Detail** tab will be populated with data from the **Import** tab and your furlough reclaim values will be calculated

10. If you want to amend any values, you must do this on the **Import** tab then click **Get Data** on the **Detail** tab

11. You can still generate the export file even if you have fewer than 100 employees furloughed. The data displayed on the **Export** tab will be the data you need to enter when making a claim at the HMRC portal

12. To create the output file for uploading to the HMRC Portal/generate the data for typing into the HMRC portal, on the **Detail** tab, click **Generate Export File**

Furlough Calculator (Phase 2 Version 1.17)

Company :	Furlough Company	Get Data
Claim Start :	01/07/2020	
Claim End :	31/07/2020	Generate Export File
Days in Claim Period:	31	
Output File Path:	C:\Program Files (x86)\Intex Software\Earnie IQ\Output Files	
Export File Name:	002PV92746639_010720.csv	

Employee Details

Employee Code	Employee Name	National Insurance No	Period No	Pay Freq	Employee's Furlough Start Date	Employee's Furlough End Date
1	Craig Alison	RB679608A	4	M	15/04/2020	
2	Walmsley Carl	CW898724A	4	M	01/04/2020	
3	Bradshaw Gillian	HB893483A	4	M	01/04/2020	
4	Helmrich Neil	NH782347A	4	M	01/06/2020	
5	Valentine Lucy	RB679608A	4	M	01/04/2020	

13. Your file data will be displayed on the **Export** tab

	Employee Name	NINO	Payroll Reference Number	Furlough Start Date	Furlough End Date	Employee Claim Amount	Normal Hours (furlough added together)	Actual Hours (PartTime Worked)	Furlough Hours (Non Worked)
1	**Export**		C:\Program Files (x86)\Intex Software\Earnie IQ\Output Files\002PV92746639_010720.csv						
3	Craig Alison	RB679608A	1	15/04/2020		2743.98	0.00	0.00	0.00
4	Walmsley Carl	CW898724A	2	01/04/2020		2686.58	150.00	0.00	150.00
5	Bradshaw Gillian	HB893483A	3	01/04/2020		2803.38	160.00	0.00	160.00
6	Helmrich Neil	NH782347A	4	01/06/2020		2780.02	155.00	0.00	155.00
7	Valentine Lucy	RB679608A	5	01/04/2020		1119.25	152.00	0.00	152.00

How the calculation works from July

If you have not claimed to the end of June, you must make a separate claim up to 30th June.

NI Reclaim

If your employee is furloughed for the whole pay period and you do not top up their pay (claims ending on or before 30th June 2020)

To work out how much you can claim to cover employer NICs:

1. Start with the grant you are claiming for employee's wages
2. Deduct the relevant secondary NICs threshold
3. Multiply this amount by 13.8%

If your employee is not furloughed for the whole pay period, or you top up their pay (claims ending on or before 30th June 2020)

If your employee is not furloughed for the whole of the pay period, or you top up your employee's pay over the amounts covered by the grant, then the following steps will help you calculate the amount of employer NICs you can claim for each employee:

1. Start with the employee's total pay
2. Deduct the relevant secondary NICs threshold
3. Multiply by 13.8%
4. Divide by the number of calendar days in the pay period
5. Multiply by the number of furlough days in the pay period
6. Divide by the employee's total pay for the furlough days in the pay period
7. Multiply by the amount of grant for employee wages

Check that the result of this calculation is not more than the maximum that can be claimed for employer NICs.

Working out what you can claim – for claims between 1st July and 31st July 2020

From 1st July 2020, your employees will be able to return to work part-time and be furloughed for the rest of their usual hours. You should calculate the employer NICs that you need to pay in the normal way.

For claim periods between 1st July 2020 and 31st July 2020, you need to work out how much you can claim towards these costs. You should do this calculation separately for each pay period that falls into your claim period. You cannot claim a higher amount than the employer NICs that is due.

Before you calculate the amount you can claim, you first need to adjust the amount of the relevant secondary NICs threshold.

Tax year	National Insurance contributions thresholds
2020 to 2021	£169 per week, £732 per month or £8,788 per year

To adjust the amount of the relevant secondary NICs threshold:

1. Start with the relevant secondary NICs threshold that corresponds to the pay period
2. Divide by the number of days in the pay period
3. Multiply by the number of days in the furlough or flexible furlough claim

If your employee is flexibly furloughed, you must also:

1. Divide by the number of usual hours in the flexible furlough claim
2. Multiply by the number of furloughed hours in the flexible furlough claim

Next you will need to use the adjusted secondary NICs threshold to calculate the amount of your grant.

1. Start with the amount you are claiming for the employee's wages
2. Deduct the relevant adjusted secondary NICs threshold
3. Multiply by 13.8%

Working out what you can claim – for claim periods starting on or after 1st August 2020

From 1st August 2020, you will no longer be able to claim a grant towards the employer NICs that you pay.

Pension Reclaim

Calculate your claim for pension contributions – claim periods up to and including 30th June 2020

1. Start with the amount you are claiming for the employee's wages

2. Deduct the minimum amount your employee would have to earn in the claim period to qualify for employer pension contributions – this is £512 a month for periods before 5th April 2020, and £520 a month for periods after 6th April 2020

3. Multiply by 3%

Calculate your claim for pension contributions – claim periods from 1st July to 31st July 2020

From 1st July 2020, your employees will be able to return to work part-time and be furloughed for the rest of their usual hours.

For claims between 1st July 2020 and 31st July 2020, you will be able to claim towards pension contributions you make on the gross pay grant for the hours they are furloughed. You should calculate this separately for each pay period that falls into your claim period. You cannot claim for more than you actually contribute to your employee's pension.

Before you can claim, you will need to adjust the amount of the relevant Lower Level of Qualifying Earnings (LLQE).

Tax year	Lower Level of Qualifying Earnings
2020 to 2021	£120 per week, £520 per month or £6,240 per year

To adjust the amount of the LLQE:

1. Start with the relevant LLQE that corresponds to the pay period

2. Divide by the number of days in the pay period

3. Multiply by the number of days in the furlough or part-time furlough claim

If your employee is flexibly furloughed, you must also:

1. Divide by the number of usual hours in the flexible furlough claim

2. Multiply by the number of furloughed hours in the flexible furlough claim

Next you will need to use the adjusted LLQE to calculate the amount of your grant.

1. Start with the amount you are claiming for the employee's wages

2. Deduct the adjusted LLQE

3. Multiply by 3%

You must not claim more towards pension contributions than you have paid into your employee's pension.

Calculate your claim for pension contributions – claim periods from 1st August 2020

From 1st August 2020, you will no longer be able to claim towards contributions you make into your employees' pensions.

Furlough Payment Reclaim

Up to the end of August, the employer can recover all their furlough payment, i.e. 80% of employees' pay.

From September 1st, you should still enter 80% of employee wages as furlough payment, because that is what is due to the employee. The reclaim calculation will adjust the entered 80% to 70% (i.e. Furlough Pay / 80% * 70%) e.g. if an employee normally gets £1000 per month and you are paying them £800 furlough pay, the reclaim value in September will be £700.

From October 1st, you should still enter 80% of employee wages as furlough payment because that is what is due to the employee. The reclaim calculation will adjust the entered 80% to 60% (i.e. Furlough Pay / 80% * 60%) e.g. if an employee normally gets £1000 per month and you are paying them £800 furlough pay, the reclaim value in October will be £600.

Examples

Full Month is a single pay period

Monthly Paid from 1st to end of month - June

Employee is normally paid £1250 per month so 80% furlough pay = £1000.00

These calculations are the same as the initial calculations, including top-up pay and part period furlough, if there is any

1. User enters a claim period e.g. 1st June to 30th June

2. Employee furloughed for whole month

3. Furlough pay = £1000.00. Furlough reclaim = £1000.00

4. NI reclaim = £1000.00 – £732 * 13.8% = £36.98

5. Pension reclaim = £1000 – £520 * 3% = £14.40

Monthly Paid from 1st to end of month - July

1. User enters a claim period e.g. 1st July to 31st July

2. Employee furloughed for whole month

3. Furlough pay = £1000.00. Furlough reclaim = £1000.00

4. NI reclaim = £1000.00 – £732 * 13.8% = £36.98

5. Pension reclaim = £1000 – £520 * 3% = £14.40

Monthly Paid from 1st to end of month - August

1. User enters a claim period e.g. 1st August to 31st August

2. Employee furloughed for whole month

3. Furlough pay = £1000.00. Furlough reclaim = £1000.00

Monthly Paid from 1st to end of month - September

1. User enters a claim period e.g. 1st September to 30th September

2. Employee furloughed for whole month

3. Furlough pay = £1000.00. Furlough reclaim = £1000 /80% * 70% = £875.00

Monthly Paid from 1st to end of month - October

1. User enters a claim period e.g. 1st October to 31st October

2. Employee furloughed for whole month

3. Furlough pay = £1000.00. Furlough reclaim = £1000 /80% * 60% = £750.00

Full Month is a single pay period (part-time hours)

Monthly Paid from 1st to end of month - July

1. User enters a claim period e.g. 1st July to 31st July
2. Employee furloughed for whole month
3. Part-time pay = 30 Hours at £10 = £300
4. Furlough Pay = 100 Hours at £8 = £800
5. NI reclaim = £800.00 – (£732/130*100) * 13.8% = £32.69
6. Pension reclaim = £800 – (£520/130*100) * 3% = £12.00

Monthly Paid from 1st to end of month - August

1. User enters a claim period e.g. 1st August to 31st August
2. Employee furloughed for whole month
3. Part-time pay = 40 Hours at £10 = £400
4. Furlough Pay = 90 Hours at £8 = £720. Furlough Reclaim = £720.00

Monthly Paid from 1st to end of month - September

1. User enters a claim period e.g. 1st September to 30th September
2. Employee furloughed for whole month
3. Part-time pay = 40 Hours at £10 = £400
4. Furlough Pay = 90 Hours at £8 = £720. Furlough Reclaim = £720.00 / 80% * 70% = £630.00

Monthly Paid from 1 to end of month - October

1. User enters a claim period e.g. 1st October to 31st October
2. Employee furloughed for whole month
3. Part-time pay = 40 Hours at £10 = £400
4. Furlough Pay = 90 Hours at £8 = £720. Furlough Reclaim = 720.00 / 80% * 60% = £540.00

Full Month is a single pay period (part-month furlough)

Monthly Paid from 1st to end of month - July

1. User enters a claim period e.g. 1st July to 31st July
2. Employee furloughed up to 23rd July
3. Furlough pay = £1000.00. Furlough reclaim = £1000.00
4. NI reclaim = £1000.00 – (£732/31*23) * 13.8% = £63.05
5. Pension reclaim = £1000 – (£520/31*23) * 3% = £18.43

Note: This calculation apportions the NI and Pension thresholds based on number of days furloughed in the pay period

Full Month is a single pay period (part-month furlough, part-time hours)

Monthly Paid from 1st to end of month - July

1. User enters a claim period e.g. 1st July to 31st July

2. Employee furloughed up to 23rd July

3. Part-time pay = 30 Hours at £10 = £300.00

4. Furlough Pay = 66.45 Hours at £8 = £531.10 Furlough Reclaim = £531.10

5. Normal Pay = 33.55 Hours at £10 = £335.50

6. NI reclaim = £531.10 – (£732/31*23/96.45*66.45) * 13.8% = £21.66

7. Pension reclaim = £531.10 – (£520/31*23/96.45*66.45) * 3% = £7.96

Note: This calculation apportions the NI and Pension thresholds based on number of days furloughed and number of hours paid part-time during the furlough period

Examples – Monthly Pay periods in two calendar months

Monthly paid on 16th of previous month to 15th of current month

Claim from 16th June to 30th June - June

Employee is normally paid £1250 per month so 80% furlough pay = £1000.00

These calculations are the same as the initial calculations, including top-up pay and part period furlough, if there is any

1. User enters a claim period e.g. 16th June to 30th June

2. Employee furloughed for whole period

3. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/30*15 = £500.00

4. NI reclaim = £500.00 – (£732/30*15) * 13.8% = £18.49

5. Pension reclaim = £500.00 – (£520/30*15) * 3% = £7.20

Claim 1st to 31st July

Month 4 payment 1st to 15th July

1. Employee furloughed for whole period. 16th June to 15th July (30 days)

2. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/30*15 = £500

3. NI reclaim = £500.00 – (£732/30*15) * 13.8% = £18.49

4. Pension reclaim = £500.00 – (£520/30*15) * 3% = £7.20

Month 5 payment 16th to 31st July

1. Employee furloughed for whole period. 16th July to 15th August (31 days)

2. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/31*16 = £516.13

3. NI reclaim = £516.13 – (£732/31*16) * 13.8% = £19.09

4. Pension reclaim = £516.13 – (£520/31*16) * 3% = £7.43

Total for July

1. Furlough Reclaim = £500.00 + £516.13 = £1016.13

2. NI reclaim = £18.49 + £19.09 = £37.58

3. Pension reclaim = £7.20 + £7.43 = £14.63

Claim 1st to 31st August

Month 5 payment 1st to 15th August

1. Employee furloughed for whole period. 16th July to 15th August (31 days)

2. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/31*15 = £483.87

3. NI reclaim = 0.00

4. Pension reclaim = 0.00

Month 6 payment 16th to 31st August

1. Employee furloughed for whole period. 16th August to 15th September (31 days)

2. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/31*16 = £516.13

3. NI reclaim = 0.00

4. Pension reclaim = 0.00

Total for August

1. Furlough Reclaim = £483.87 + £516.13 = £1000.00

2. NI reclaim = 0.00

3. Pension reclaim = 0.00

Claim 1st to 30th September

1. User enters a claim period e.g. 1st September to 30th September

2. Employee furloughed for whole month

3. Furlough pay = £1000.00. Furlough reclaim = £1000 /80% * 70% = £875.00

Month 6 payment 1st to 15th September

1. Employee furloughed for whole period. 16th August to 15th September (31 days)

2. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/31*15/80%*70% = £423.39

3. NI reclaim = 0.00

4. Pension reclaim = 0.00

Month 7 payment 16th to 30th September

1. Employee furloughed for whole period. 16th September to 15th October (30 days)

2. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/30*15/80%*70% = £437.50

3. NI reclaim = 0.00

4. Pension reclaim = 0.00

Total for September

1. Furlough Reclaim = £423.39 + £437.50 = £860.89

2. NI reclaim = 0.00

3. Pension reclaim = 0.00

Claim 1st to 31st October

1. User enters a claim period e.g. 1st October to 31st October

2. Employee furloughed for whole month

3. Furlough pay = £1000.00. Furlough reclaim = £1000 /80% * 70% = £875.00

Month 7 payment 1st to 15th October

1. Employee furloughed for whole period. 16th September to 15th October (30 days)

2. Furlough pay = £1000.00 in pay period. Furlough reclaim = £1000.00/30*15/80%*60% = £375.00

3. NI reclaim = 0.00

4. Pension reclaim = 0.00

Month 8 payment 16th to 31st October

1. Employee furloughed for whole allowable period. 16th October to 31st October (16 days)

2. Note: Furlough ends on October 31st

3. Furlough pay = £500.00 in pay period. Furlough reclaim = £500.00/16*16/80%*60% = £375.00

4. NI reclaim = 0.00

5. Pension reclaim = 0.00

Total for October

1. Furlough Reclaim = £375.00 + £375.00 = £750.00

2. NI reclaim = 0.00

3. Pension reclaim = 0.00

Employment Allowance

Note: If you are claiming Employment Allowance, you must not claim Employer's NIC until you have met your threshold. For instance, if you are claiming £4,000 Employment Allowance and the Employer's NIC due is less than £4,000, your Employer's NIC claim will be nil.

What information do I need to make a claim?

To claim for furloughed individuals, you will need the following:

To claim, you will need:

- Your employer PAYE scheme reference number
- The number of employees being furloughed
- National Insurance Numbers for the furloughed employees
- Names of the furloughed employees
- Payroll/employee number for the furloughed employees (optional)
- Dates each employee was furloughed
- The claim value per employee
- Your Self-Assessment Unique Taxpayer Reference, Corporation Tax Unique Taxpayer Reference, Company Registration Number or Employer Name (as appropriate)
- The claim period (start and end date)
- Amount claimed (per the minimum length of furloughing of 3 consecutive weeks)
- Your bank account number and sort code
- Your contact name
- Your phone number
- For flexibly furloughed employees only
    - The number of part time hours paid
    - The number of furlough hours paid
    - the normal number of hours the employee is expected to work

As advised in this document, you need to calculate the amount you are claiming. HMRC will retain the right to retrospectively audit all aspects of your claim.

If you use an agent who is authorised to act for you for PAYE purposes, they will be able to make a claim on your behalf. If you use a file only agent (who files your RTI return but doesn't act for you on any other matters) they won't be authorised to make a claim for you and you will need to make the claim yourself. Your file only agent can assist you in obtaining the information you need to claim (which is listed above).

Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600 Fax: 0844 366 7828 Email: helpdesk@ir-efile.gov.uk	Tel: 0300 200 3200 Tel: 0300 200 3211 (new business)

Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls	For IRIS Payroll Professional
Tel: 0344 815 5656 Email: sales@iris.co.uk	Tel: 0344 815 5676 Email: earniesales@iris.co.uk	Tel: 0345 057 3708 Email: payrollsales@iris.co.uk

Contact Support

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