IRIS PAYE-Master

COVID-19 – Furlough Job Retention Scheme Changes and Important Dates

July 2020

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.

From 1st July, Top-up Payments will not be used in the calculation of Employer's NI reclaim.

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

1. You must continue to pay furloughed staff 80% of their pay, using the furlough payments previously created in the Additions/Deductions 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

2. You can continue creating a claim file in CSV format for upload to HMRC if the work periods included in your claim fall within the calendar month that the claim period is for. For example, if your monthly payroll for July covers days worked between 1-31st July, and the claim file you are creating is for 1st - 31st July then you can create the claim file as normal in IRIS PAYE-Master

Will not do

1. From 1st July, if the work periods in your claim cross over calendar months, you should stop using the claim file in CSV format that IRIS PAYE-Master creates for upload to HMRC. For example: if your monthly payroll for July covers days worked between 6th July-5th August, since the claim file needs to be created for a calendar month (i.e. 1st- 31st July) it would need to include split values from June's payroll (for 1st - 5th July) and from July's payroll (for 6th – 31st July) which the software is unable to calculate. Use the spreadsheet we have provided with the update to assist you in creating your claim file for upload to HMRC

2. If you are using flexible furlough to pay for hours worked and hours furloughed the software will not be able to calculate the reclaim values accurately. Use the spreadsheet we have provided with the update to assist you in creating your claim file for upload to HMRC.

What to do in IRIS PAYE-Master

Step 1 – Make Furlough Payments

Employee Furloughed for whole or part period

If you are paying furlough to employees for the whole period, or for part of the period (e.g. if furlough ended and they returned to work as normal) then you should continue to process furlough payments as our original Furlough Guide recommended.

Employee Flexibly Furloughed – Hourly Paid

If you are paying flexible furlough to employees that are hourly paid, you should continue paying their furlough pay as recommended in our Furlough Guide, i.e. enter the number of hours furloughed using the Addition/Deduction you have created for Furlough, and tick the Hours box in Pay Variations. Enter any hours worked in the Basic Pay row in Pay Variations and tick the Hours box. Keep a note of the number of hours furloughed and the number of hours worked and their pay values, as you will need these when you use the spreadsheet we have provided to help calculate your reclaim.

Employee Flexibly Furloughed – Salaried

If you are paying flexible furlough to employees that are salaried then you will need to calculate how much pay is due to them for the hours they have been furloughed in the pay period, and how much is due for the hours they worked in the pay period. Continue to pay the furlough as recommended in our Furlough Guide, i.e. enter the furlough pay using the Addition/Deduction you created for this purpose, and enter normal pay using the Basic Pay row in Pay Variations. Keep a note of the number of hours furloughed, and the number of hours worked and their pay values; you will need these when you use the spreadsheet we have provided to help calculate your reclaim.

Step 2 – Select Claim Period

Once you have calculated and finalised all pay periods that relate to the claim period, you can use the data in the Job Retention Scheme Settings screen to create an output file:

- If your claim includes pay for work periods that fall within the calendar month, you can create the CSV file for upload to HMRC
- If your claim includes pay for work periods that do not fit within the calendar month, or if you have flexibly furloughed employees, you can create a spreadsheet that will aide you in calculating the values and then create the CSV file for upload to HMRC

1. From the **Company Details** | **Sundry** tab, click the **Furlough** button to open the **Job Retention Scheme Settings** screen

2. In this screen, enter your Claim Date range. Don't forget – the claim date range must be within the calendar month, so any date within 1st – last day in the month is acceptable. You can only make a single claim for the same claim period, so you must include all pay frequencies you use (e.g. weekly and monthly) in the same claim

3. Enter the Claim Date range and click Search. The system will find and list all employees with furlough dates that have been paid in work periods that are within the claim dates selected

NOTE: IRIS PAYE-Master assumes your work periods to be in line with the tax calendar periods (e.g. from the 6th to the 5th of the following month for monthly payroll) so it is important that you know what your actual work periods are, as this will determine whether the system can create your claim file for you

Use the examples below to help determine if you can create your claim file in IRIS PAYE-Master or if you will need to use the spreadsheet we have provided to help you to calculate the values for the claim file:

Example 1: Monthly Payroll. Claim Period: 1st to 31st July. Work Period for the company for month 4 is 1st to 31st July.   Employees are furloughed for the whole month.
IRIS PAYE-Master will identify months 3 and 4 as falling within the claim period (as IRIS PAYE-Master's Work Periods are preset in line with the tax calendar; so 1st-31st July would span both month 3 and 4). As you know that your work period actually falls within month 4 only, de-select the 'Include' indicator for all month 3 entries in the list. You can then create the CSV file, without the need to use the spreadsheet we have provided.

Example 2: Weekly Payroll. Claim Period 1st to 31st July. Work Periods for weeks falling within claim period:

> Week 14: 1st - 7th July
> Week 15: 8th – 14th July
> Week 16: 15th - 21st July
> Week 17: 22nd - 28th July
> Week 18: 29th July – 4nd August

IRIS PAYE-Master will identify weeks 14 – 18 as falling within the claim period, but as we can see, the work periods extend beyond the calendar month (week 18: 1st- 4th August). This means that you should not create the CSV file in IRIS PAYE-Master, as this file would include values that are not only for the claim period selected. Use the spreadsheet we have provided instead.

Example 3: Weekly Payroll. Claim Period 15th - 21st July. Work Period for week 16: 15th - 21st July. Employees flexibly furloughed

Even though the work period falls withing the claim period and is within the calendar month, as employees have been flexibly furloughed you should not create the CSV file in IRIS PAYE-Master; use the spreadsheet we have provided instead so that you are able to enter the furlough hours and hours worked, which are required for the claim submission to HMRC

4. Once you have determined whether you can use IRIS PAYE-Master to create the claim file for you or if you need to use the spreadsheet we have provided to manually enter some details, you can select the option required:

- Click **Create CSV file** to create the claim file ready for upload to HMRC
- Click **Create Export** to create the export file to be used to transfer data to the spreadsheet.

Step 3 – Create the output file

Create CSV file for upload to HMRC

If your claim includes furlough pay for work periods that fall within the calendar month that your claim is for, you can create the CSV file in IRIS PAYE-Master as normal.

HMRC have changed the output file format of the CSV file. Headings and bank details have been removed and for employees flexibly furloughed, hours must be included in the file. When you create your CSV file in IRIS PAYE-Master, it will match the format expected by HMRC; but remember, if you have flexibly furloughed employees, or if your claim includes work periods that span the calendar month you should not use this method to create the CSV file – use the spreadsheet provided instead.

To create the CSV file for upload to HMRC, click the **Create CSV file** button within the **Job Retention Scheme Settings** screen.

Create the spreadsheet export

If your claim includes employees that have been flexibly furloughed, or it includes work periods that do not fall wholly within the calendar month that the claim is for, you can export a spreadsheet via IRIS PAYE-Master where you can enter the data that the software is unable to collate. IRIS PAYE-Master will export the data it is able to gather and populate it into the spreadsheet, however, you must then enter other fields yourself. Based on the data exported from IRIS PAYE-Master and the data you input manually, the spreadsheet will perform the reclaim calculation; you can then use this data to create a CSV for upload to HMRC, or you can enter the data directly onto HMRC's portal to submit your claim.

To create the export file, click **Create Export file** within the **Job Retention Scheme Settings** screen.

See the **Furlough Reclaim Spreadsheet** section further on in this guide for help with using the spreadsheet.

Step 4 – Print the Furlough Reclaim report

Print this report for your records, or to help you if you are entering your reclaim values directly onto HMRC's portal. Don't forget – if you have flexibly furloughed employees, or if your claim includes values for period that span more than one calendar month, the values in this report will not be an accurate reflection of what you can reclaim. Use the spreadsheet provided to help you to calculate your reclaim totals.

Furlough Reclaim Spreadsheet

If you opt to create an export file in IRIS PAYE-Master - because your claim includes flexibly furloughed employees, or the work periods within the claim do not fall within the calendar period that your claim is for - then the following steps will explain what you need to do next:

Step 1 – Import data from IRIS PAYE-Master

When you create the export file in IRIS PAYE-Master, a message will appear asking if you are sure you want to create the spreadsheet; click **Yes** to continue:

1. IRIS PAYE-Master will automatically gather the data that it can
2. The Furlough Reclaim spreadsheet will automatically open
3. In the 'Import' tab of the spreadsheet, right click and select 'Paste'

This will add the data IRIS PAYE-Master was able to gather into the spreadsheet.

Step 2 – Enter required fields

The data in the spreadsheet will display a row for each employee. If more than one work period falls within the claim period, there will be a row for each employee for each period.

As IRIS PAYE-Master is unable to collate all the data required for the spreadsheet, some manual entry will be required.

Import Tab

Most fields within this tab will already be populated for you, but there are some fields that you need to pay special attention to:

- **Pay Period Start Date** (Column H) and Pay Period End Date (Column I): These fields are populated as per the Work Periods in IRIS PAYE-Master's Pay Calendar and are the same as Tax Calendar dates. If your actual work periods are not the same as the tax calendar dates listed, you will need to change them in the spreadsheet

- **Furlough Payments (£)** (Column K): This field is populated with the total furlough payments you made for the work periods that IRIS PAYE-Master identified as falling within the claim period selected. If the employee is flexibly furloughed, this column needs to be blank

- **Furlough Rates in Pay Period (Hrs)** (Column L): If you had paid Furlough as an hourly rate rather than a total value, you can enter the number of hours furloughed for the pay period in this field. If the employee is flexibly furloughed, enter the number of hours they were furloughed in the pay period

- **Pay for Furlough Hours in Pay Period (£)** (Column M): If you had paid Furlough as an hourly rate, enter the total furlough pay received for those hours. If the employee is flexibly furloughed, enter the amount of pay they received for the hours they were furloughed

- **Part Time Furlough Hours in Pay Period** (Column N): You only need to complete this field if the employee is flexibly furloughed. Enter the number of hours that they worked during the pay period

- **Pay for Part Time Furlough Hours in Pay Period (£)** (Column O): You only need to complete this field if the employee is flexibly furloughed. Enter the amount of pay they received for the hours they worked during the pay period.

- **Furlough Hours in Claim Period** (Column R): If you paid Furlough as an hourly rate and:
  - your work periods are not the same as the work periods set in IRIS PAYE-Master (i.e. your work periods are not the same as the tax periods), and
  - those work periods don't fall wholly within the calendar month that the claim is for

  You will need to manually calculate how many hours furloughed do fall within the claim period and enter that value here. See the Examples section further in this guidance for help with the calculation.

- **Pay for Furlough Hours in Claim Period (£)** (Column S): If your work periods are not the same as the work periods set in IRIS PAYE-Master, and those work periods do not fall within the claim period, you will need to manually calculate what the Furlough Pay was for the work days that do fall within the claim period and enter that value here. See the Examples section further in this guidance for help with the calculation.

- **Part Time Furlough Hours in Claim Period** (Column T): You only need to complete this field if the employee is flexibly furloughed. If the Claim Period is not the same as the Work Period, you will need to calculate how many hours were within the Claim Period. See the Examples section further in this guidance for help with the calculation

- **Pay for Part Time Furlough Hours in Claim Period (£)** (Column U): You only need to complete this field if the employee is flexibly furloughed. If the Claim Period is not the same as the Work Period, you will need to calculate what the furlough pay was for the Claim Period. See the Examples section further in this guidance for help with the calculation

Once you have completed the required fields in the Import tab, click onto the **Detail** tab

Detail Tab

This tab is where the spreadsheet performs the reclaim calculation.

Check that the Claim Start and End dates are correct (if not you can change them) and click the **Get Data** button, this will filter the information from the Import tab into this table.

In the values table, any column header that is highlighted in grey is the data filtered through from the Import tab.

Any column highlighted in blue is a field that is calculated automatically based on data in the grey columns.

Any column highlighted in red is a calculated reclaim value that is used in the claim file for submission to HMRC.

Based on the data imported from IRIS PAYE-Master and any changes you have made in the Import tab there should be no need to make any adjustments to blue or red column fields, but you should still check each field carefully to ensure the data is correct:

- **Days in Pay Period** (Column K): The system automatically calculated the number of days within the work periods included in the claim file
- **Employee Furloughed for Full Pay Period (Y/N)** (Column L): The system will check if the work/pay periods included in the claim fall wholly within the claim period. 'Y' will be set if they do, 'N' will be set if they do not.
- **Furlough Days in Pay Period** (Column M) The system calculates the number of days in the work period that are within the Claim Period
- **Total Furlough (up to Limit)** (Column T): If the Furlough you have paid in the period exceeds the maximum limit that can be paid, the system will cap the value automatically
- **Full Time Furlough Limit** (Column U): If the work period is within the claim period then this value will be the full furlough limit for the pay frequency. If your work period is not wholly within the claim period, and reclaim values are apportioned to the number of furlough days that are within the claim period, then the furlough limit is also apportioned
- **First Claimable Date in Pay Period** (Column W): The system will find and populate the first date in the Work Period that falls into the Claim Period
- **Last Claimable Date in Pay Period** (Column X): The system will find and populate the last date in the Work Period that falls into the Claim Period
- **Furlough Days in Claim Period** (Column Y): The total number of days in the Work Period that falls within the Claim Period

- **Furlough Claim** (column AD): This value is the total furlough that can be reclaimed for the employee. If the work period is not wholly within the claim period, then this value should be the apportioned furlough for the working days that were within the claim period
- **Secondary Threshold** (Column AH): This is the current secondary NI threshold, and is used in the calculation of Employer's NI reclaim
- **Apportioned Threshold** (Column AI): If the work period is within the claim period, then this value will be the full secondary threshold value for the pay frequency. If your work period is not wholly within the claim period, and reclaim values are apportioned to the number of furlough days that are within the claim period, the secondary threshold is also apportioned.
- **Claimable NIable Pay** (Column AJ): The furlough pay value that the ER NI reclaim will be calculated on
- **Qualifying Earnings Lower Threshold** (Column AN): This is the threshold used in the calculation of Employer's Pension reclaim
- **Apportioned Threshold** (Column AO): If the work period is within the claim period then this value will be the full Qualifying Earnings Lower Threshold for the pay frequency. If your work period is not wholly within the claim period, and reclaim values are apportioned to the number of furlough days that are within the claim period then the Qualifying Earnings Lower Threshold is also apportioned.
- **Claimable Pension Pay** (Column AP): The furlough pay value that the ER Pension reclaim will be calculated on

Once these fields are complete and correct, the values in the red columns will be calculated: These are your reclaim values.

Click the **Generate Export File** button; this will populate the fields required for the upload to HMRC in the **Export** Tab.

Export Tab

This screen is populated with the fields that make up the CSV claim file to upload HMRC. You can either use this data to enter your claim on HMRC's portal by hand, or you can save it and upload it directly to HMRC.

Manual Furlough Reclaim Calculation – July and onwards

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

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.

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 the 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. The following steps will show you how to calculate the maximum employer NICs you can claim for each employee:

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.

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 crosses over 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
    o The number of part time hours paid
    o The number of furlough hours paid
    o 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