

IRIS Payroll

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

May 2021

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Coronavirus Job Retention Scheme (CJRS)

The Coronavirus Job Retention Scheme has been subject to numerous changes; here we will summarise the changes from April 2021.

Which employees can I claim for?

For periods ending on or before 30 April 2021, you can claim for employees who were employed on 30 October 2020, as long as you have made a PAYE Real Time Information (RTI) submission to HMRC between 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee. You do not need to have previously claimed for an employee before 30 October 2020 to claim for periods from 1 November 2020.

For periods starting on or after 1 May 2021, you can claim for employees who were employed on 2 March 2021, as long as you have made a PAYE Real Time Information (RTI) submission to HMRC between 20 March 2020 and 2 March 2021, notifying a payment of earnings for that employee. You do not need to have previously claimed for an employee before 2 March 2021 to claim for periods from starting on or after 1 May 2021.

If your employee has more than one job or other duties

If your employee has more than one job

If your employee has more than one employer, they can be furloughed for each job.

Employees can be furloughed in one job and receive a furloughed payment but continue working for another employer and receive their normal wages.

If your employee had multiple employers over the last year

If an employee has had multiple employers over the past year, has only worked for one of them at any one time, and is being furloughed by their current employer, their former employers should not re-employ them, put them on furlough and claim for their wages through the scheme.

How much can you claim?

For periods ending on or before 30 June 2021 you can claim 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month. You must pay your employee at least 80% of their usual wages for the hours they are furloughed and not working. The level of grant that can be claimed reduces from 1 July 2021.

Employers will not be required to contribute to, or top-up the employee's pay for the hours not worked. You will still need to pay employer National Insurance contributions and employer pension contributions, and you cannot claim for these.

You can choose to top up your employees' wages above the minimum 80% furlough pay amount but, you do not have to. Employees must not work or provide any services for the business during hours which they are recorded as being on furlough, even if they receive a top-up wage.

If your employee is flexibly furloughed, which means they are working reduced hours rather than stopping work completely, you must pay them their full current contracted rate for any hours they work. You cannot claim a grant towards the hours the employee works.

Changes to the level of grant from 1 July 2021

From 1 July 2021, the level of grant will be reduced, and you will be asked to contribute towards the cost of your furloughed employees' wages. To be eligible for the grant you must continue to pay your furloughed employees 80% of their wages, up to a cap of £2,500 per month for the time they spend on furlough.

The following table shows the level of government contribution available in the coming months, the required employer contribution, and the amount that the employee receives per month where the employee is furloughed 100% of the time.

Wage caps are proportional to the hours not worked.

	May	June	July	August	Sept
Government contribution: wages for hours not worked	80% up to £2,500	80% up to £2,500	70% up to £2,187.50	60% up to £1,875	60% up to £1,875
Employer contribution: employer National Insurance contributions and pension contributions	Yes	Yes	Yes	Yes	Yes
Employer contribution wages for hours not worked	No	No	10% up to £312.50	20% up to £625	20% up to £625
For hours not worked employee receives	80% up to £2,500 per month				

You can continue to choose to top up your employees' wages above the 80% total and £2,500 cap for the hours not worked at your own expense.

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 previously identified in the **Company | Payments & Deductions** section. A furloughed employee must be paid 80% of their wages in July, August and September, 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. Continue to stop you claiming across calendar month ends e.g. You cannot claim from 16th July to 15th August. You can claim for 16th to 30th July then make a separate claim in August
2. If you **are not** flexibly furloughing any employees, the software will be able to calculate the reclaim values accurately for May to September
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 May to September
 - 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

If you **are** flexibly furloughing employees and the period the employee is paid for crosses a calendar month, the software will not be able to calculate the reclaim values accurately for May to September

- a. Paying monthly employees for work done 6th July to 5th August will **not** calculate correctly. Use the spreadsheet we have provided with the update
- b. Paying weekly employees for work done 27th July to 2nd August will **not** calculate correctly. Use the spreadsheet we have provided with the update

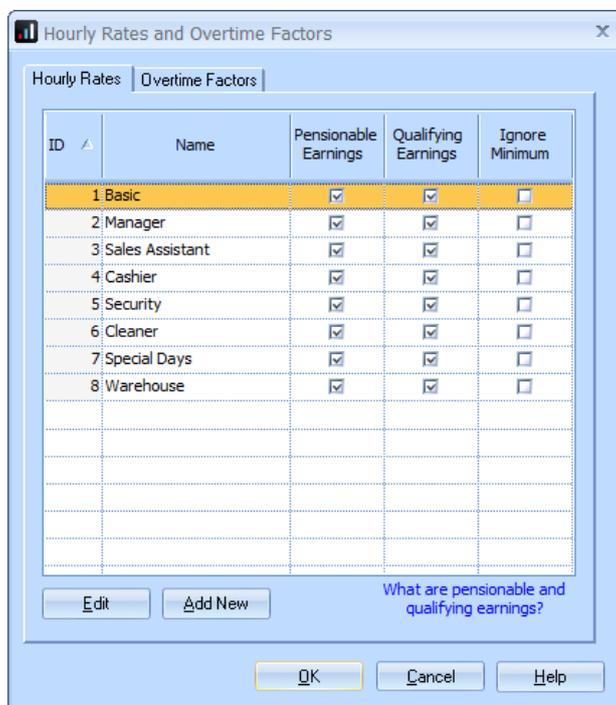
What to do in IRIS Payroll

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 must pay your employees using hourly rates for part-time hours and furlough hours.

To do this:

1. From the **Company** menu, choose **Hourly Rates**
2. Click **Add New**
3. Make sure that **Pensionable Earnings** and **Qualifying Earnings** are selected for the new rate(s)



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 Details**
2. On the **Furlough** tab, tick the **Select** column for any rates used specifically to make furlough payments
3. On the **Furlough** tab, select **Temp Hours** column for any rate used specifically to make part-time payments for flexibly furloughed employees

Job Retention Scheme Settings
Furlough Manual Submission

Furlough Pay Elements
Select the pay element(s) you have used to make furlough payments

Payment/Deductions				Rates				
Select	ID	Name	Top Up	Select	ID	Name	Temp Hours	Top Up
<input type="checkbox"/>	1	Bonus	<input type="checkbox"/>	<input type="checkbox"/>	1	Basic	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	3	Net to Gross	<input type="checkbox"/>	<input type="checkbox"/>	2	Manager	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	8	Salary Correction	<input type="checkbox"/>	<input type="checkbox"/>	3	Sales Assistant	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	21	Medical Insurance Plan	<input type="checkbox"/>	<input type="checkbox"/>	4	Cashier	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	5	Security	<input type="checkbox"/>	<input type="checkbox"/>

Step 3 – Print Employee Furlough Report

1. On the **Furlough** screen, enter the date for which you want to calculate your Job Retention Scheme Claim. The software will automatically find the pay periods based on the Payroll Calendar Settings
2. Select the **Print** button from the **Furlough** screen
3. The report displays furlough payment, employer's NI claim, employer's pension claim and total claim value

Step 4 – Create Output File for JRS Portal

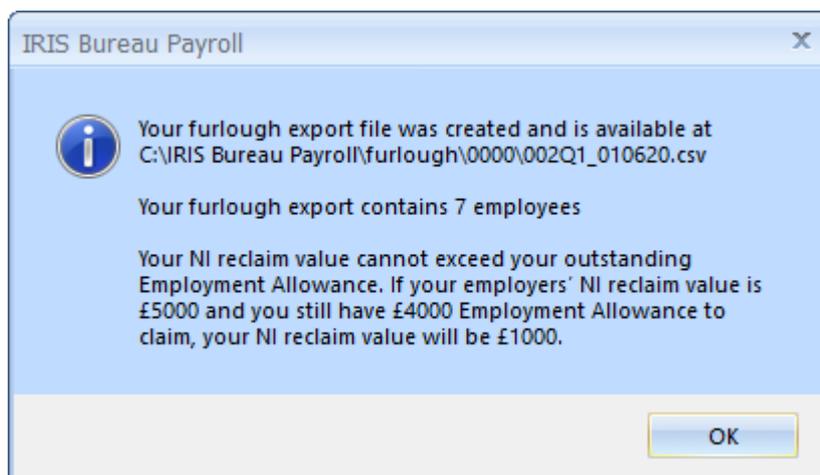
The output file format has changed. For employees being flexibly furloughed, hours must be included in the file. All headings and bank details have been removed. Any hours identified as Part Time for furlough are included in the **Actual Hours** column of the output file.

	A	B	C	D	E	F	G	H	I	J
1	Employee Name	National Insurance Number	Payroll Reference Number	Furlough Start Date	Furlough End Date	Employee Claim Amount	Normal Hours	Actual Hours	Furloughed Hours	Statutory Leave Returner?
2	Forename1Surname1	AB123456C		16/04/2020	16/04/2020	£	37	10	27	
3	Forename2Surname2	AB123456C		16/04/2020	16/04/2020	£				
4	Forename3Surname3	AB123456C		16/04/2020	16/04/2020	£				
5	Forename4Surname4	AB123456C		16/04/2020	16/04/2020	£				
6	Forename5Surname5	AB123456C		16/04/2020	16/04/2020	£				
7	Forename6Surname6	AB123456C		16/04/2020	16/04/2020	£				
8	Forename7Surname7	AB123456C		16/04/2020	16/04/2020	£				
9	Forename8Surname8	AB123456C		16/04/2020	16/04/2020	£				
10	Forename9Surname9	AB123456C		16/04/2020	16/04/2020	£				
11	Forename10Surname10	AB123456C		16/04/2020	16/04/2020	£				
12	Forename11Surname11	AB123456C		16/04/2020	16/04/2020	£				
13	Forename12Surname12	AB123456C		16/04/2020	16/04/2020	£				
14	Forename13Surname13	AB123456C		16/04/2020	16/04/2020	£				
15	Forename14Surname14	AB123456C		16/04/2020	16/04/2020	£				

Create the Job Retention Scheme Claim file

To do this:

1. From the **Company** menu, select **Company Details**
2. Select your Claim Date Range. If you have weekly and monthly paid employees, they must all be included in a single claim
3. If you have not identified your furlough payments, you will need to use the **Manual Submission** tab and enter the reclaim values manually
4. If you have identified your furlough payments, use the **Furlough** tab
5. Take care when entering the **Claim Date Range**. You can only make a single claim for the same period. You cannot claim across calendar month end e.g. 27th July to 2nd August
6. Select **Create File**
 - a. If you have already created a file for this claim period, you will be prompted to overwrite the existing file
 - b. A confirmation message is displayed when the file is created, click **OK**



Flexible furlough across calendar month end

If you flexibly furlough employees across calendar month end, we have provided a spreadsheet to help you with calculation.

On the **Furlough** screen, select the button **Manual Spreadsheet Import**

This will create 3 files in the Company number sub folder in the Furlough folder. The one starting with Furlough is the calculation spreadsheet. The other 2 files that start with Import are the data exports from Payroll to be imported into the calculation sheet.

1. Copy the data from either of the export files into the **Import** tab on the template spreadsheet
2. Enter the following fields manually for part time furloughed employees:
 - a. **Furlough Rates in Claim Period**
 - b. **Pay for Furlough Hours in Claim Period (£)**
 - c. **Part Time Furlough Hours in Claim Period**
 - d. **Pay for Part Time Furlough Hours in Claim Period (£)**
3. On the **Detail** tab, enter the **Claim Start Date, Claim End Date, Output File Path** and **Export File Name**
4. Click on **Get Data**, this will populate the calculation sheet using the data pasted into the Import tab
5. Click **Generate Export File** to create the file to upload to HMRC.

Furlough Payment Reclaim

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

From July 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. $\text{Furlough Pay} / 80\% * 70\%$) e.g. if an employee normally gets £1000 per month and you are paying them £800 furlough pay, the reclaim value in July will be £700.

From August 1st (and the same in September) 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. $\text{Furlough Pay} / 80\% * 60\%$) e.g. if an employee normally gets £1000 per month and you are paying them £800 furlough pay, the reclaim value in August (and if required in September) will be £600.

Examples

Full Month is a single pay period

Monthly Paid from 1 to end of month - June

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

1. User enters a claim period e.g. 1 June to 30 June
2. Employee furloughed for whole month
3. Furlough pay = 1000.00. Furlough reclaim = 1000.00

Monthly Paid from 1 to end of month - July

1. User enters a claim period e.g. 1 July to 31 July
2. Employee furloughed for whole month
3. Furlough pay = 1000.00.
4. Furlough reclaim = $1000 / 80\% * 70\% = £875.00$

Monthly Paid from 1 to end of month - August

1. User enters a claim period e.g. 1 August to 31 August
2. Employee furloughed for whole month
3. Furlough pay = 1000.00. Furlough reclaim = $1000 / 80\% * 60\% = £750.00$

Monthly Paid from 1 to end of month - September

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

These examples are the same as the previous example unlike last year when Employer Pension and Employer NI could be reclaimed. The reclaim is simply based on the amount of furlough payment.

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

Monthly Paid from 1 to end of month - July

1. User enters a claim period e.g. 1 July to 31 July
2. Employee furloughed up to 23 July
3. Furlough pay = 1000.00. Furlough reclaim = $1000 / 80\% * 70\% = £875.00$

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

Monthly Paid from 1 to end of month - July

1. User enters a claim period e.g. 1 July to 31 July
2. Employee furloughed up to 23 July
3. Part-time pay = 30 Hours at £10 = £300.00
4. Furlough Pay = 66.45 Hours at £8 = £531.10 Furlough Reclaim = $531.10 / 80\% * 70\% = 464.71$

Examples – Monthly Pay periods in two calendar months

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

Claim 1 to 31 July

Month 4 payment 1 to 15 July

1. Employee furloughed for whole period. 16 June to 15 July (30 days)
2. Furlough pay = 1000.00 in pay period. Furlough reclaim = $1000.00/30*15 = 500/80%*70% = 437.50$

Month 5 payment 16 to 31 July

3. Employee furloughed for whole period. 16 July to 15 August (31 days)
4. Furlough pay = 1000.00 in pay period. Furlough reclaim = $1000.00/31*16 = 516.13/80%*70% = 451.61$

Total for July

Furlough Reclaim = $437.50 + 451.61 = 889.11$

Claim 1 to 31 August

Month 5 payment 1 to 15 August

1. Employee furloughed for whole period. 16 July to 15 August (31 days)
2. Furlough pay = 1000.00 in pay period. Furlough reclaim = $1000.00/31*15 = 483.87/80%*60% = 362.90$

Month 6 payment 16 to 31 August

1. Employee furloughed for whole period. 16 August to 15 September (31 days)
2. Furlough pay = 1000.00 in pay period. Furlough reclaim = $1000.00/31*16 = 516.13/80%*60% = 387.10$

Total for August

Furlough Reclaim = $362.90 + 387.10 = 750.00$

Claim 1 to 30 September

Month 6 payment 1 to 15 September

1. Employee furloughed for whole period. 16 August to 15 September (31 days)
2. Furlough pay = 1000.00 in pay period. Furlough reclaim = $1000.00/31*15/80%*60% = 362.90$

Month 7 payment 16 to 30 September

1. Employee furloughed to end of September. 15 September to 30 September (15 days)
2. Furlough pay = 500 in pay period. Furlough reclaim = $500/15*15//80%*60\% = 375.00$

Note: Furlough ends on 30 September so all furlough payment of 500 is for September

Total for September

Furlough Reclaim = $362.90 + 375.00 = 737.90$

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	Tel: 0300 200 3200
Fax: 0844 366 7828	Tel: 0300 200 3211 (new business)
Email: helpdesk@ir-efile.gov.uk	

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: sales@iris.co.uk	Email: earniesales@iris.co.uk	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

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