Earnie IQ

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

June 2021

Contents

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.

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	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

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 identified in the **Company Options** 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

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 May to September
   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 16 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.

	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

Create the Job Scheme Retention Claim file for upload to the JRS Portal. If you have fewer than 16 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

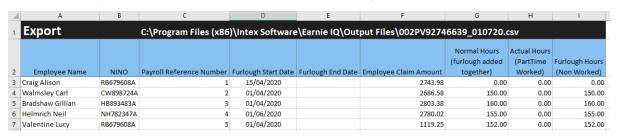| Claim Period Values								NI Claim						Pension Claim					
First Claimable Date In Pay Period	Last Claimable Date In Pay Period	Furlough Days in Claim Period	Furlough Hours in Claim Period	Pay for Furlough Hours in Claim Period (£)	Part Time Furlough Hours in Claim Period	Pay for Part Time Furlough 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**

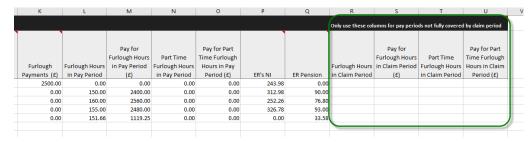|	A	B	C	D	E	F	G	H	I
1	**Export**		C:\Program Files (x86)\Intex Software\Earnie IQ\Output Files\002PV92746639_010720.csv						
2	Employee Name	NINO	Payroll Reference Number	Furlough Start Date	Furlough End Date	Employee Claim Amount	Normal Hours (furlough added together)	Actual Hours (PartTime Worked)	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

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

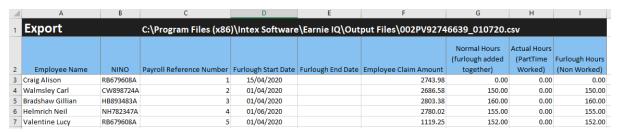|	Furlough Payments (£)	Furlough Hours in Pay Period	Pay for Furlough Hours in Pay Period (£)	Part Time Furlough Hours in Pay Period	Pay for Part Time Furlough Hours in Pay Period (£)	ER's NI	ER Pension	Furlough Hours in Claim Period	Pay for Furlough Hours in Claim Period (£)	Part Time Furlough Hours in Claim Period	Pay for Part Time Furlough Hours in Claim Period (£)
	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				

Only use these columns for pay periods not fully covered by claim period

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 16 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

	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

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. 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. 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 31 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. 16 of previous month to 15 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

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*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
    - 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**