



PAYROLL NEWSLETTER

3 JUNE 2020

Furlough Scheme – important update

On 29 May the Chancellor announced changes to the furlough scheme.

Flexible Furloughing

From 1 July employers can bring back to work furloughed employees on a part-time basis. The Government will continue to pay 80% of wages for the hours employees do not work until 31 August. *The employer will be responsible for paying wages in full while working in accordance with the pre furlough rate & recognising the current national minimum wage.* These working arrangements must cover at least 1 week & be confirmed in writing. If employees remain on furlough the employer can continue to claim under the existing rules subject to the monthly variations as set out below.

June/July

No changes in Government support for furlough but it should be noted that the current scheme (CJRS V1) ends on 30 June & new entrants will not be allowed into the new scheme (CJRS V2) which commences on 1 July. As employees have to be furloughed for a full 3 week period prior to this date the latest you can bring in new staff to the scheme is 10 June. It should also be noted that the maximum number of staff eligible to claim under CJRS V2 cannot be more than the highest number ever included in a single claim under CJRS V1

August

Government support will continue at 80% of wages up to a cap of £2500 but Employers will pay Employers NI & minimum pension contributions.

September

Government will only pay 70% of wages up to a cap of £2187.50. Employers will be required to pay 10% of

wages, to make up to 80%, & Employers NI & minimum pension. Employers can continue to top up to 100% pay if they wish.

October

As for September other than the Government reduction in support to 60% of wages up to a cap of £1875. Employers will be required to pay 20% of wages. The scheme ends completely on 31 October.

Other points to note

- The cap on the grant will be proportional to the hours not worked. Therefore if an employee works half a month the furlough cap in June, July & August would be £1250; September £1093.75; October £937.50
- Employers will be required to submit data to HMRC on the normal hours worked in a claim period & the actual hours worked.
- Where we run your payroll we will appreciate your setting out clearly the time worked & not worked for furloughed employees. We will continue to charge £20 per employee furlough claim each month but if we have to carry out significant additional work in respect of the calculations this will rise to £30 per person per month.
- Further guidance will be issued by the Government on 12 June
- As always employment law has to be considered & legal advice may be required
- Stay vigilant about scams

Disclaimer

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

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