

## Furloughed Leave FAQ's

Date last updated: 15<sup>th</sup> June 2020

We have included questions that have been most commonly asked by our clients (SMEs). We have not included FAQ's relating to public sector, but these can be found in the full guidance (see below).

This guidance will be updated as further information is provided by the government / HMRC.

The latest updates are marked in yellow for ease.

Question	Answer
<p><b>What is the new flexible furlough leave?</b></p> <p><b>From 1<sup>st</sup> July</b></p>	<p>From 1 July, employers can bring back to work employees that <b>have previously been furloughed</b> for any amount of time and any shift pattern, while still being able to claim CJRS grant for their normal hours not worked.</p> <p>When claiming the CJRS grant for furloughed hours employers will need to report and <b>claim for a minimum period of one week</b>, although there is no minimum period of furlough.</p> <p>The current scheme will close to new entrants from 30 June. The current scheme requires employees to be furloughed for 3 weeks. Therefore, they must have been placed on furlough for the first time by 10<sup>th</sup> June, so they could be furlough for 3-week period prior to 30 June.</p> <p><i>Please note, that if you have previously furloughed someone for a consecutive period of 3 weeks, you can still claim if the current period of furlough takes them into July (but you must still furlough them for 3 consecutive weeks before starting any flexible furlough).</i></p> <p>This flexible furlough has been introduced a month earlier than first announced, in order to give businesses more flexibility.</p> <p><b>Employers will NOT be able to use the new furlough scheme for any employees who have not previously been furloughed</b>, and the deadline for this has now passed (i.e. if you had not furloughed someone at all before by 10<sup>th</sup> June you will not be able to furlough them under the new scheme).</p> <p>The updated guidance can be found here: <a href="https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme">https://www.gov.uk/guidance/check-which-employees-you-can-put-on-furlough-to-use-the-coronavirus-job-retention-scheme</a></p>
<p><b>Are there any restriction to how many people I can furlough under the new flexible furlough scheme?</b></p>	<p>Yes. You can only furlough up to as many people as you furloughed before the flexible scheme. For example, if the highest claim for any period up to 30<sup>th</sup> June was 20 people, employers may only claim for up to 20 people in later periods and no more.</p>
<p><b>How do I flexibly furlough an employee?</b></p>	<p>If you flexibly furlough an employee, you will need to agree this with the employee and confirm the new furlough arrangement with them in writing. You will need to:</p>

	<ul style="list-style-type: none"> <li>▪ make sure that the agreement is consistent with employment, equality and discrimination laws</li> <li>▪ keep a written record of the agreement for five years</li> <li>▪ keep records of how many hours the employee works and the number of hours the employee is furloughed for (i.e. not working).</li> </ul> <p>You do not need to place all your employees on flexible furlough, and you can continue to fully furlough employees if you wish.</p>
<p><b>What are the changes to contributions for furlough?</b></p>	<p>From August, there will be changes in the contributions and employers will need to start making some contributions.</p> <ul style="list-style-type: none"> <li>▪ <b>June and July:</b> No Change. The government will pay 80% of wages up to a cap of £2,500 as well as employer National Insurance (ER NICs) and pension contributions. Employers are not required to pay anything.</li> <li>▪ <b>August:</b> The government will pay 80% of wages up to a cap of £2,500. Employers will pay ER NICs and pension contributions – for the average claim, this represents 5% of the gross employment costs the employer would have incurred had the employee not been furloughed.</li> <li>▪ <b>September:</b> The government will pay 70% of wages up to a cap of £2,187.50. Employers will pay ER NICs and pension contributions and 10% of wages to make up 80% total up to a cap of £2,500.</li> <li>▪ <b>October:</b> The government will pay 60% of wages up to a cap of £1,875. Employers will pay ER NICs and pension contributions and 20% of wages to make up 80% total up to a cap of £2,500.</li> </ul> <p><i>(When combined with the flexible furlough scheme, employers will be required to pay full pay for any hours that employees actually work).</i></p> <p>The latest guidance on how to claim and confirmation of what can be paid can be found here: <a href="https://www.gov.uk/guidance/calculate-how-much-you-can-claim-using-the-coronavirus-job-retention-scheme">https://www.gov.uk/guidance/calculate-how-much-you-can-claim-using-the-coronavirus-job-retention-scheme</a></p>
<p><b>What about employment law during this period?</b></p>	<p>Current employment law will continue to apply.</p> <p>This must be taken into consideration when placing people on furlough leave, in agreements reached when changing terms of employment and all aspects of employment (and any redundancies or short-time/lay-off actioned now or in the future).</p>
<p><b>Where can I find government guidance?</b></p>	<p>The latest guidance can be found at: <a href="https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme">https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme</a></p> <p>The government are also providing videos and webinars: <a href="https://www.gov.uk/guidance/help-and-support-if-your-business-is-affected-by-coronavirus-covid-19?utm_source=9da270a9-61a1-4408-bb6c-bfb58daa54a8&amp;utm_medium=email&amp;utm_campaign=govuk-notifications&amp;utm_content=daily">https://www.gov.uk/guidance/help-and-support-if-your-business-is-affected-by-coronavirus-covid-19?utm_source=9da270a9-61a1-4408-bb6c-bfb58daa54a8&amp;utm_medium=email&amp;utm_campaign=govuk-notifications&amp;utm_content=daily</a></p> <p>This is a link to <a href="#">claiming for the Job Retention scheme</a>:</p>

	<p>This is a link to the guidance on holidays:  <a href="https://www.gov.uk/guidance/holiday-entitlement-and-pay-during-coronavirus-covid-19">https://www.gov.uk/guidance/holiday-entitlement-and-pay-during-coronavirus-covid-19</a></p>
<p><b>Is there guidance from HMRC?</b></p>	<p>HMRC directions the Coronavirus Job Retention Scheme can be found here:  <a href="https://www.gov.uk/government/publications/treasury-direction-made-under-sections-71-and-76-of-the-coronavirus-act-2020">https://www.gov.uk/government/publications/treasury-direction-made-under-sections-71-and-76-of-the-coronavirus-act-2020</a></p> <p>These will be authority on the scheme regarding payments.</p>
<p><b>What about guidance for employees?</b></p>	<p>There is guidance for employees, explaining furlough leave, that can be accessed here:  <a href="https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme">https://www.gov.uk/guidance/check-if-you-could-be-covered-by-the-coronavirus-job-retention-scheme</a></p> <p>This guidance was updated on 12th June to include the new flexible furlough leave.</p>
<p><b>What is furloughed leave?</b></p>	<p>Furloughed leave is the term used to describe a leave of absence under the <a href="#">Job Retention Scheme</a> introduced (for a temporary period) by the government to support business and employment during the coronavirus.</p> <p>It allows UK employers to access financial support to continue paying part of their employees' salaries for those employees who would otherwise have been laid off or made redundant during the crisis.</p> <p>Furloughed leave is just the term used to describe this leave of absence. It is not a legal term in employment law (this may change with future legislation).</p>
<p><b>How long is furlough leave for / available?</b></p>	<p>On 12<sup>th</sup> May 2020 the government extended the job retention scheme (furlough) until the end of October 2020.</p> <p>Until the end of June, the scheme will continue as currently. However, from 1<sup>st</sup> July the scheme will be changed to become more flexible and will allow furloughed workers to return part time. Employers will also be asked to share the cost of paying salaries.</p> <p>Because of the introduction of the new flexible furlough scheme, the current scheme will CLOSE on 30<sup>th</sup> June (see above) and will be replaced by the new scheme.</p>
<p><b>Who is eligible?</b></p>	<p>You can only claim for furloughed employees that were on your PAYE payroll on or before 19 March 2020 and which were notified to HMRC on an RTI submission on or before 19 March 2020. This means an RTI submission notifying payment in respect of that employee to HMRC must have been made on or before 19 March 2020.</p> <p><i>(This was changed by the government from 28<sup>th</sup> February on 15<sup>th</sup> April).</i></p>

	<p>Please note, anyone who joined you in March but was NOT paid until after 19<sup>th</sup> March will not be covered. This will therefore exclude monthly paid employees whose first payment was after 19<sup>th</sup> March. It will however capture weekly paid employees who joined from 28<sup>th</sup> February and were on the payroll before 19<sup>th</sup> March.</p> <p><i>Note: the new flexible scheme is only open to employees who had been furloughed before the end of June (10<sup>th</sup> of June was the cut-off point). It will not be open to any employees who had not been previously furloughed.</i></p>
<p><b>What about anyone who TUPE'd to a new employer after 28<sup>th</sup> February</b></p>	<p>On 9<sup>th</sup> April the government confirmed that employees TUPE'd after 28<sup>th</sup> February could be furloughed.</p>
<p><b>What about apprentice?</b></p>	<p>Yes, you can furlough apprentices like other employees, and they can continue to train whilst furloughed. However, you must pay your apprentice at least the National Minimum Wage for all the time they spend training.</p>
<p><b>How much can I claim?</b></p>	<p>Under the Job Retention Scheme the government will reimburse up to 80% of wage costs up to a cap of £2,500 per month.</p> <p>Grants will cover the lower of 80% of an employee's regular wage or £2,500 per month PLUS the associated employer NI and minimum automatic enrolment pension contributions.</p> <p>On 4<sup>th</sup> April the government changed its guidance to confirm that employer can claim for any regular payments you are obliged to pay your employees including past overtime, and contractual commission payments. However, you cannot claim for discretionary bonuses or commission.</p> <p><i>From August, employers will be required to make a contribution. Please see above for details.</i></p>
<p><b>Do I have to top up the 80% i.e. pay the other 20%?</b></p>	<p>No, there is no obligation to do so, but you can if you want to.</p> <p>Please note that if people are carrying out training while on furloughed leave (see below), you must pay them at least the National Minimum/Living Wage for the hours they are training (see below).</p> <p><i>With the new flexible furlough (from July) employers will be required to contribute (see above) but will not be required to 'top-up' beyond 80%.</i></p>
<p><b>How often can I claim?</b></p>	<p>Government guidance has confirmed that, you will only be able to make one claim during a pay reference period, and this should be made shortly before or during the running of payroll. You must claim for all employees in each period at the same time and you cannot make changes to your claim. Claims can be backdated to 1 March if applicable.</p> <p><i>The first time you will be able to make claims for days in July will be 1 July, you cannot claim for periods in July before this point.</i></p>

	<p>31 July is the last day that you can submit claims for periods ending on or before 30 June.</p>
<p><b>What about zero hours workers or variable hours?</b></p>	<p>If the employee has been employed for 12 months or more, you can claim the highest of either the a) same month's earning from the previous year or b) average monthly earnings for the 2019-2020 tax year.</p> <p>If the employee has been employed for less than 12 months, claim for 80% of their average monthly earnings since they started work.</p>
<p><b>How do I claim?</b></p>	<p>HMRC have created a new IT portal to run the scheme, which went live on the 20<sup>th</sup> April and can be accessed through <a href="https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme">https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme</a></p>
<p><b>Is there a limit on how much I can claim?</b></p>	<p>With the new flexible furlough, you will be limited to how many people you can claim for. It will not be able to exceed the maximum number you claimed for prior to 30<sup>th</sup> June (see above). There were no restrictions prior to this</p> <p>This will change in August with the introduction of the new flexible furlough scheme (see above for new rates).</p>
<p><b>How long can I claim for?</b></p>	<p>On 12<sup>th</sup> May, the government extended the Job Retention Scheme to the end of October 2020. However, the current scheme closes on 30<sup>th</sup> June and a new scheme, with new rules, starts from 1<sup>st</sup> July (see above) and there are new rules and restrictions around the new scheme.</p>
<p><b>Is there a minimum period of furlough leave?</b></p>	<p>Yes, there is a minimum of 3 weeks. You cannot claim if someone is on furlough leave for less than 3 weeks.</p> <p>When the new flexible furlough is introduced (1<sup>st</sup> July), there will be no minimum period, but you will need to make a claim for a minimum of one week.</p>
<p><b>What do I need to do to put people on Furlough Leave?</b></p>	<p>You need to designate someone as a 'furlough workers' and they will then be put on 'furlough leave'. During this time, they will continue to be employed by you, but they will not be permitted to work for the period of furlough leave.</p> <p>You need to notify the employee of this change as it will be a change to their contract. You need to keep records of this.</p> <p>On 4<sup>th</sup> April the government guidelines were updated to confirm that employers must confirm in writing to their employee that they have been furloughed and that a record of this communication must be kept for 5 years.</p> <p>On the 20<sup>th</sup> May, the government updated its HMRC directions states that any agreement must be "made in writing or confirmed in writing by the employer (such agreement or confirmation may be in an electronic form such as an email)".</p> <p>This was a change from the guidance issued on 15<sup>th</sup> April that said there needed to be a signed agreement. However, it would still be best practice to have a signed agreement in place.</p>

	<p>Please also see above re flexible furlough.</p>
<p><b>Can employees work while on furloughed leave?</b></p>	<p>On the scheme up to 30 June, NO. They must <b>not</b> work for the Company while on furloughed leave. But they can volunteer or train (see next question).</p> <p>On 4<sup>th</sup> April the government confirmed that an employee on furloughed leave could work for another employer (subject to their contract of employment and agreement from the current employer).</p> <p>On 9<sup>th</sup> April the government confirmed that employees cannot work for organisations that are <i>linked</i> to the employer while on furlough leave.</p> <p>On 12<sup>th</sup> May the government announced that furlough will become more flexible.</p> <p>From 1<sup>st</sup> July the new flexible furlough scheme will allow employees to be furlough for part of their contractual hours, if required (see above).</p>
<p><b>Can employees train or volunteer while furloughed?</b></p>	<p>Yes. They can volunteer and can carry out training as long as they do not provide services to or generate revenue for, or on behalf of the company.</p> <p>Employees must be paid at least east the National Minimum Wage (NMW) if they are carrying out training for any hours, they are training.</p> <p>Guidance on 4<sup>th</sup> April stated that ‘furloughed employees should be encouraged to undertake training’.</p>
<p><b>Do I have to pay at least the NMW when on Furlough Leave?</b></p>	<p>No. You do not have to pay NMW when on furlough leave (i.e. if the 80% takes them below the NMW this is acceptable). You <b>MUST</b> pay NMW for any hours of training undertaken while on furlough leave.</p>
<p><b>Can I put someone on PART Furlough Leave?</b></p>	<p>Not under the current scheme, but you <b>CAN</b> under the new scheme starting 1<sup>st</sup> July.</p> <p>Currently you have to lay them off completely e.g. you cannot reduce hours and share it amongst all staff. There have been requests to government for a more flexible approach, but currently it is ‘all or nothing’.</p> <p>From 1<sup>st</sup> July, under the new flexible furlough scheme, you will be able to furlough someone part-time (see above).</p>
<p><b>Can I make someone redundant rather than put them on furlough leave?</b></p>	<p>Yes. There is no obligation to put someone on furloughed leave. You can make a position redundant. This would normally be where it is clear that you will not have a position for them at the end of this crisis. You must follow a fair redundancy procedure when making redundancies (please take further advice on this) as normal employment law will apply.</p>
<p><b>Can I consult about redundancies while they are on furlough leave?</b></p>	<p>On the 30<sup>th</sup> April the guidance was updated to confirm that union and non-union representatives i.e. employee representatives, could carry out duties relating to consultation (see below).</p>

	This confirms therefore that you can consult about redundancies during furlough.
<b>Can employees working as union or non-union representative carry out consultation duties whilst on furlough</b>	<p>On 30th April the guidance was updated to confirm that whilst on furlough, employees who are union or non-union representatives may undertake duties and activities for the purpose of individual or collective representation of employees or other workers.</p> <p>However, in doing this, they must not provide services to or generate revenue for, or on behalf of your organisation or a linked or associated organisation.</p> <p>These duties may include redundancy consultation and accompanying colleagues during disciplinary or grievance meetings.</p>
<b>Can you put someone on notice during furlough leave? e.g. notice of redundancy or other notice of dismissal?</b>	There is nothing to stop you issuing notice during furlough leave and leaving the employee on furlough leave for the period of their notice (subject to furlough leave still being in place).
<b>Will notice be paid at 80% or 100%?</b>	There is debate about how much you need to pay someone for notice (i.e. 100% or 80%). This is a technical employment law question. We do however believe that most tribunals would err on the side of the employee and require 100% to be paid. We are therefore recommending that notice is paid at 100% for the period of notice (but you should take further advice on this if you wish to consider paying 80%).
<b>I have a new employee who has just started. Can I put them on furloughed leave?</b>	<p>No. You can only claim for employees who were on your payroll on or before 19th March You cannot claim for anyone who joined after this date.</p> <p>(Employees who may have joined before 19<sup>th</sup> March but were not paid via your payroll until after this date cannot be furloughed).</p>
<b>Can an employee request furloughed leave?</b>	It is the organisations decision as to whether to designate someone as being on furloughed leave. An employee has <b>no right</b> to be put on furloughed leave (please note that any decisions must not discriminate against employees or workers and must not breach the term of mutual trust and confidence).
<b>Can someone refuse to be put on furlough leave?</b>	<p>Yes. However, if you have a lay-off clause in your contracts of employment you will be able to 'insist' on laying them off. The HMRC guidance states that you would not be able to claim for them unless there is written agreement, so you they would only be entitled to any guaranteed payment (£30 per day for 5 days). This is why we believe employees will agree.</p> <p>If you do NOT have a lay off clause in your contract, then the only other option will be to start a redundancy process. Again, faced with the option of redundancy or furlough, we believe that people will agree to furlough leave in all but exceptional circumstances.</p>

<p><b>Does holiday accrue during Furlough Leave?</b></p>	<p>Yes. Holiday entitlement will continue to accrue for employees who are on furlough leave. This was confirmed again on 13<sup>th</sup> May.</p>
<p><b>Can you take someone off furlough leave and then put them back on if you need them to work for a short while?</b></p>	<p>Yes (clarified on 4<sup>th</sup> April) that employees can be furloughed multiple times, subject to each period being for a minimum of 3 weeks. This means you can 'rotate' employees on furlough leave if you want to. If you put someone on furlough leave for less than 3 weeks you cannot claim for them.</p> <p>From the 1<sup>st</sup> July you will only be able to furlough someone who has previously been furlough for 3 weeks. For such employees there is no minimum period of furlough and you can take them off and put them back on.</p>
<p><b>Can someone take holiday during furlough leave?</b></p>	<p>Yes. This was confirmed in the government guidance on 13<sup>th</sup> May.</p> <p><a href="https://www.gov.uk/guidance/holiday-entitlement-and-pay-during-coronavirus-covid-19">https://www.gov.uk/guidance/holiday-entitlement-and-pay-during-coronavirus-covid-19</a></p>
<p><b>How much must employees be paid for holiday while on Furlough Leave.</b></p>	<p>Employees should receive 100% of their pay for any days/weeks they are on holiday during furlough leave (i.e. what they would have received if they were taking holiday in normal circumstances). Therefore, if they are taking holiday during furlough, you will need to top up their pay to 100% for the holiday period.</p> <p>This will include bank holidays if these have been taken as holiday.</p> <p>This was further confirmed on 13<sup>th</sup> May (see link to guidance above).</p>
<p><b>Can you allocate holiday during furlough leave</b></p>	<p>Yes. This was confirmed in the government guidance on 13<sup>th</sup> May.</p> <p>You can allocate holiday, provided you given twice as much notice as the length of the holiday or any other duration that may be stipulated in the employment contract i.e. one month.</p> <p><a href="https://www.gov.uk/guidance/holiday-entitlement-and-pay-during-coronavirus-covid-19">https://www.gov.uk/guidance/holiday-entitlement-and-pay-during-coronavirus-covid-19</a></p>
<p><b>How should we treat bank holidays during furlough leave?</b></p>	<p>If an employee usually works bank holidays, then you can agree that this is included in the grant payment. If the employee usually takes the bank holiday as leave, then you would either have to top up their usual holiday pay or give the employee a day of holiday in lieu.</p> <p>This was confirmed in the guidance on holidays (above) on 13<sup>th</sup> May.</p>
<p><b>Does someone get furlough leave if they are self-isolating or off sick?</b></p> <p><b>(see shielding below)</b></p>	<p>No. Self-isolation or those on sick leave will be covered under sickness absence (SSP and Company sick pay rules). However, after this time they can be furloughed.</p> <p>On 9<sup>th</sup> April the government guidance was updated to confirm that if an employee becomes sick during furlough leave, it is up to employers to decide whether to move these employees onto Statutory Sick Pay or to keep them on furlough, at their furloughed rate.</p>

	<p>For many employees it will be more beneficial for them to be kept on Furlough leave.</p>
<p><b>What about those employees shielding?</b></p>	<p>Anyone who is shielding in line with public health guidance can be placed on furlough leave. <a href="https://www.gov.uk/government/publications/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19">https://www.gov.uk/government/publications/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19/guidance-on-shielding-and-protecting-extremely-vulnerable-persons-from-covid-19</a></p> <p>On 9<sup>th</sup> April the government guidance added that anyone who needs to stay home with someone who is shielding, can be placed on furlough leave.</p> <p><b>As of 1<sup>st</sup> July, you will only be able to furlough employees who are shielding if they have previously been furloughed (see above).</b></p>
<p><b>Can you put directors on Furloughed Leave?</b></p>	<p>On 4<sup>th</sup> April the government guidance confirmed that directors can be furloughed if they are on the payroll (PAYE). However, this will apply to salary only. It is not applicable for any dividends.</p> <p>Where a director is furlough, this should be formally adopted as a decision of the company and noted in the company records and communicated in writing to the director.</p>
<p><b>Do I pay people on furlough leave through the payroll or wait to receive the grant?</b></p>	<p>You will still need to run a payroll and issue payslips for people.</p> <p>If at all possible, you should pay people on the normal payroll date.</p> <p>If you do not have the funds to pay employees, you may want to talk to your bank about lending. We would recommend that you make what payments you can.</p> <p>If payments (or part of any payment) must wait until you receive the grant (or bank loan) you must get agreement from employees as this will be a variation in terms of employment (i.e. a change in pay date).</p> <p>On 9<sup>th</sup> April the list of information needed to make a claim was updated as follows:</p> <p>To claim, you will need:</p> <ul style="list-style-type: none"> <li>▪ your employer PAYE reference number</li> <li>▪ the number of employees being furloughed</li> <li>▪ National Insurance Numbers for the employees you want to furlough</li> <li>▪ Names of the employees you want to furlough</li> <li>▪ Payroll/works number for the employees you want to furlough</li> <li>▪ your Self-Assessment Unique Taxpayer Reference or Corporation Tax Unique Taxpayer Reference or Company Registration Number</li> <li>▪ the claim period (start and end date)</li> <li>▪ amount claimed (per the minimum length of furloughing of 3 consecutive weeks). <b>This will change with the new flexible furlough.</b></li> <li>▪ your bank account number and sort code</li> <li>▪ your contact name</li> </ul>

	<ul style="list-style-type: none"> <li>▪ your phone number</li> </ul> <p>You will need to calculate the amount you are claiming. HMRC will retain the right to retrospectively audit all aspects of your claim.</p> <p>If you have fewer than 100 employees on furlough you will be asked to enter details of each employee you are claiming for directly into the system - this will include their name, National Insurance number, claim period and claim amount, and payroll/employee number (optional).</p> <p>If you have 100 or more employees on furlough you will be asked to upload a file with the information rather than input, it directly into the system. The HMRC will accept the following file types: .xls .xlsx .csv .ods</p> <p>The file should include the following information for each furloughed employee: name, National Insurance number, claim period and claim amount, payroll/employee number (optional).</p> <p>HMRC retain the right to retrospectively audit all aspects of claims.</p> <p>The HMRC have confirmed that employers will be able to claim via the new portal from 20<sup>th</sup> April.</p> <p>Guidance on how to calculate your employees' wages/ salary, as well as the Employers National Insurance Contributions and pension contributions for those employees you have furloughed can be found at: <a href="https://www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme">https://www.gov.uk/guidance/work-out-80-of-your-employees-wages-to-claim-through-the-coronavirus-job-retention-scheme</a></p>
<p><b>What about income tax</b></p>	<p>HMRC has confirmed that individuals will pay income tax and national insurance contributions (NICs) on any payments received through this scheme as they are replacement for income in line with normal practice for benefits or grants that replace income. The grant will cover associated employer NI and minimum automatic enrolment pension contributions (based on the furlough salary).</p> <p>Here is the guidance on how to make a clam: <a href="https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme">https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme</a></p>
<p><b>How do I calculate pension and NI?</b></p>	<p>On 21<sup>st</sup> April the government updated their calculator. You can find it here: <a href="https://www.tax.service.gov.uk/job-retention-scheme-calculator/?_ga=2.216442645.2084768626.1587401770-906188118.1578906121">https://www.tax.service.gov.uk/job-retention-scheme-calculator/?_ga=2.216442645.2084768626.1587401770-906188118.1578906121</a></p>
<p><b>How much of the grant has to be paid to the employee?</b></p>	<p>All of the grant must be paid to the employee. The government confirmed on 9<sup>th</sup> April that NO part of the reclaimed grant can be siphoned off to fund benefits; or for fees, administration charges etc.</p>

This guidance will be update as required and as there is further guidance provided by government.

