

NIVO ASSIST

COVID-19 BRIEFING DOCUMENT – No.20

. Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme

- English
- [Cymraeg](#)

Find out if you're eligible and how much you can claim to cover wages for employees on temporary leave ('furlough') due to coronavirus (COVID-19).

From:

[HM Revenue & Customs](#)

Published:

26 March 2020

Last updated:

1 April 2021, [see all updates](#)

1 Contents

1. [Who can claim](#)
2. [Employees you can claim for](#)
3. [Agreeing to furlough employees](#)
4. [When your employees are on furlough](#)
5. [Before you claim](#)
6. [Details of your claim that will be publicly available](#)
7. [Report fraud to HMRC](#)
8. [Contacting HMRC](#)

Print this page

The Coronavirus Job Retention Scheme has been extended until 30 September 2021. [Find out more about how the scheme is changing.](#)

Claims for furlough days in March 2021 must be made by 14 April 2021.

You can no longer submit claims for claim periods ending on or before 31 October 2020.

To use the scheme, the steps you'll need to take are:

1. Check if you can claim
2. [Check which employees you can put on furlough](#)
3. [Steps to take before calculating your claim](#)
4. [Calculate how much you should claim](#)
5. [Claim for your employees' wages online](#)
6. [Report a payment in PAYE Real Time Information \(RTI\)](#)

If you cannot maintain your workforce because your operations have been affected by coronavirus (COVID-19), you can furlough employees and apply for a grant to cover a portion of their usual monthly wage costs where you record them as being on furlough.

For periods from 1 November 2020 to 30 April 2021 , you can claim for employees who were employed on 30 October 2020, as long as you have made a PAYE RTI submission to HMRC between the 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee. This may differ where you have made employees redundant, or [they stopped working for you on or after 23 September 2020 and you have subsequently re-employed them](#). You do not need to have previously claimed for an employee before the 30 October 2020 to claim.

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 the 2 March 2021 to claim for periods starting on or after 1 May 2021.

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. From 1 July 2021, [the level of grant will be reduced](#) each month and you will be asked to contribute towards the cost of your furloughed employees' wages.

You do not need to have previously claimed for an employee before the 30 October 2020 to claim.

Employers can furlough employees for any amount of time and any work pattern, while still being able to claim the grant for the hours not worked.

You will need to pay for employer National Insurance contributions and pension costs. Find out more information on [employer contributions to the Coronavirus Job Retention Scheme](#).

If you've already worked out how much you can claim, you can [claim for wages online](#) through the Coronavirus Job Retention Scheme.

HMRC will check claims. Payments may be withheld or need to be paid back if a claim is found to be fraudulent or based on incorrect information. You can [report suspected fraud in the Coronavirus Job Retention scheme](#).

Coronavirus Job Retention Scheme grants are not classed as state aid.

2 Who can claim

You must have:

- created and started a PAYE payroll scheme on or before 30 October 2020
- created and started a PAYE payroll scheme on or before 2 March for periods starting on or after 1 May 2021
- enrolled for PAYE online
- a UK, Isle of Man or Channel Island bank account

Any entity with a UK payroll can apply, including businesses, charities, recruitment agencies and public authorities.

3 If you receive public funding

If you have staff costs that are publicly funded (even if you're not in the public sector), you should use that money to continue paying your staff, and not furlough your staff.

Organisations can use the scheme if they are not fully funded by public grants and they should contact their sponsor department or respective administration for further guidance.

4 If you're an administrator

Where a company is being taken under the management of an administrator, the administrator can furlough and claim for employees.

Administrators should only use the scheme if there is a reasonable likelihood of retaining the employees. For example, this could be as a result of an administration and pursuit of a sale of the business.

5 Employees you can claim for

Find out [which employees you can put on furlough and claim for](#).

6 Agreeing to furlough employees

Employers should discuss with their staff and make any changes to the employment contract by agreement. When employers are making decisions in relation to the process, including deciding who to offer furlough to, equality and discrimination laws will apply in the usual way.

To be eligible for the grant, employers must have confirmed to their employee (or reached collective agreement with a trade union) in writing that they have been furloughed. You must:

- make sure that the agreement is consistent with employment, equality and discrimination laws
- keep a written record of the agreement for five years

- [keep records](#) of how many hours your employees work and the number of hours they are furloughed (such as, not working)

The employee does not have to provide a written response and you do not need to place all your employees on furlough.

You can:

- fully furlough employees – they cannot undertake any work for you while furloughed full time
- flexibly furlough employees – they can work for any amount of time, and any work pattern but they cannot do any work for you during hours that you record them as being on furlough

If you flexibly furlough employees, you will also need to agree this with the employee (or reach collective agreement with a trade union) and keep a new written agreement that confirms the new furlough arrangement.

You do not need to place all your employees on furlough and you can continue to fully furlough employees if you wish. Employees cannot undertake any work for you during time that you record them as being on furlough.

Where consistent with employment law, any flexible furlough or furlough agreement made retrospectively that has effect from 1 November 2020 will be valid for the purposes of a Coronavirus Job Retention Scheme claim as long as it is made according to the conditions above. Only retrospective agreements put in place up to and including the 13 November 2020 may be relied on for the purposes of a claim.

7 Flexible furlough agreements

There is no minimum furlough period, agreed flexible furlough agreements can last any amount of time. Employees can enter into a flexible furlough agreement more than once.

Although flexible furlough agreements can last any amount of time, unless otherwise specified the period that you claim for must be for a [minimum claim period of 7 calendar days](#).

8 When your employees are on furlough

During hours which you record your employee as being on furlough, you cannot ask them to do any work for you that:

- makes money for your organisation or any organisation linked or associated with your organisation
- provides services for your organisation or any organisation linked or associated with your organisation

Your employee can:

- take part in training
- volunteer for another employer or organisation
- work for another employer (if contractually allowed)

9 Paying employee taxes and pension contributions

Your employees will still pay the taxes they normally pay out of their wages.

You must deduct and pay to HMRC income tax and employee National Insurance contributions on the full amount that you pay the employee, including any scheme grant.

You must also pay to HMRC the employer National Insurance contributions on the full amount that you pay the employee, including any scheme grant.

You must report these payments through a Full Payment Submission (FPS) to HMRC on or before the pay date.

Your employee will also still pay pension contributions (both employer and automatic contributions from the employee), unless the employee has opted out or stopped saving into their pension. You are not able to claim for employer National Insurance contributions and pension contributions.

10 Keeping employee rights

Employees still have the same rights at work, including:

- Statutory Sick Pay (SSP)
- annual leave
- maternity and other parental rights
- rights against unfair dismissal
- redundancy payments

Grants cannot be used to substitute redundancy payments. HMRC will continue to monitor businesses after the scheme has closed.

11 Holiday pay

Furloughed employees continue to accrue leave as per their employment contract.

You can only place employees on furlough if coronavirus is affecting your operations.

You should not place employees on furlough just because they are going to be on paid leave.

The employer and employee can agree to vary holiday entitlement as part of the furlough agreement, however almost all workers are entitled to 5.6 weeks of statutory paid annual leave each year which they cannot go below.

Employees can take holiday whilst on furlough. If they are flexibly furloughed then any hours taken as holiday during the claim period

should be counted as furloughed hours rather than working hours. You should not put your employees on furlough for a period just because they are on holiday for that period. This means that employees should only be placed on furlough because your operations have been affected by coronavirus and not just because they are on paid leave. This applies equally during any peak periods in late December and early January.

Working Time Regulations (WTR) require holiday pay to be paid at the employee's normal rate of pay or, where the rate of pay varies, calculated on the basis of the average pay received by the employee in the last 52 working weeks (12 weeks in Northern Ireland). Therefore, if a furloughed employee takes holiday, the employer should pay their usual holiday pay in accordance with the Working Time Regulations.

Employers will be obliged to pay employees who are on holiday additional amounts over the grant, though will have the flexibility to restrict when leave can be taken if there is a business need and the correct notice is given. This applies for both the furlough period and the recovery period.

If an employee usually works bank holidays then the employer can agree that this is included in the grant payment. If the employee usually takes the bank holiday as leave then the employer would either have to top up their usual holiday pay, or give the employee a day of holiday in lieu.

Find out [more information on holiday pay during furlough](#).

12 Employees working for a different employer

If contractually allowed, your employees are permitted to work for another employer whilst you have placed them on furlough.

For any employer that takes on a new employee, the new employer should ensure they complete the [starter checklist](#) form correctly. If the employee is furloughed from another employment, they should complete 'statement C' on the list.

13 If your employee does volunteer work

A furloughed employee can take part in volunteer work during hours which you record your employee as being on furlough as long as it is for another employer or organisation.

14 If your employee does training

Furloughed employees can engage in training during hours which you record your employee as being on furlough, as long as in undertaking the training the employee does not provide services to, or generate revenue for, or on behalf of their organisation or a linked or associated organisation. Furloughed employees should be encouraged to undertake training.

Any employee would not be regarded as directly or actively engaged in relevant research and development during this training period, and should not be included in any research and development or Research and Development Expenditure Credit (RDEC) claims.

Find out more information on [training](#) that is available.

Where training is undertaken by furloughed employees during hours which you record your employee as being on furlough, at the request of their employer, they are entitled to be paid at least their appropriate national minimum wage for this time. In most cases, the furlough payment of 80% of an employee's regular wage, up to the value of £2,500, will provide sufficient monies to cover these training hours. However, where the time spent training attracts a minimum wage entitlement in excess of the furlough payment, employers will need to pay the additional wages (see National Minimum Wage Section for more details).

15 Furloughed employees working as union or non-union representatives or as pension trustees

During hours which you record your employee as being 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. 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.

During hours which you record your employee as being on furlough, employees who are pension scheme trustees or trustee directors of a corporate trustee may undertake trustee duties in relation to the pension scheme. However, a professional, independent pension scheme trustee who has been furloughed by the independent trustee company cannot undertake trustee work that would provide services to or generate revenue for, or on behalf of, the independent trustee company or any organisation linked or associated with that independent trustee company during hours which you record them as being on furlough.

16 Before you claim

You will need to [work out how much you can claim](#) through the scheme. HMRC will retain the right to retrospectively audit all aspects of your claim.

Employers should discuss with their staff and make any changes to the employment contract by agreement.

Employers may need to seek legal advice on the process. If sufficient numbers of staff are involved, it may be necessary to engage collective consultation processes to procure agreement to changes to terms of employment.

HMRC cannot provide your employees with details of claims you make on their behalf. Please help us by keeping your employees informed, answering any questions that they might have. Please ask them not to contact HMRC.

17 Details of your claim that will be publicly available

If you claim for periods starting on or after 1 December 2020, HMRC will publish details of your claim on GOV.UK. We are doing this to:

- meet our transparency commitments
- deter fraudulent claims

We will publish this information monthly, updating the previous month's information with any amendments. You can:

- [view the latest data for claims made through the scheme](#)
- [find out what to do if publishing your claim could leave individuals at risk of violence or intimidation](#)

Furloughed employees can see if they were included in a grant for December 2020 or January 2021 in their [personal tax account](#).

If you have repaid the full amount of your grant for December 2020 or January 2021, they will no longer be able to see that information.

This information will be updated monthly and February claims will be available to view from the 6 May 2021.

18 Report fraud to HMRC

HMRC will check claims, and payments may be withheld or need to be paid back if a claim is found to be fraudulent or based on incorrect information.

The public can [report fraud to HMRC](#) if they have evidence to suggest an employer on the list is abusing the scheme.

19 Contacting HMRC

Use [HMRC's digital assistant](#) to find more information about the coronavirus support schemes.

You can also [contact HMRC](#) if you cannot get the help you need online. We are receiving a very high numbers of calls. Please do not contact HMRC unnecessarily, this will help us to manage our essential public services during these challenging times.

There is no right of appeal if you're not eligible for the Coronavirus Job Retention Scheme.

You should [contact us](#) if you think you do not meet the eligibility criteria due to:

- an HMRC error
- unreasonable delays caused by HMRC

You can [use our complaints service](#) if you're not satisfied with how we have handled your claim.

20 Other help and support

You can [watch videos and register for free webinars](#) to learn more about the support available to help you deal with the economic impacts of coronavirus.

You can [read previous versions of this guidance on The National Archives](#).