

Job Retention Bonus factsheet

On 5 November 2020, it was confirmed that, due to the fact that the Coronavirus Job Retention Scheme is being extended until the end of March 2021, the Job Retention Bonus will now not be paid out in February 2021, and a retention incentive will be deployed at a different time.

What is it?

The Job Retention Bonus (JRB) is a scheme which was announced by Chancellor, Rishi Sunak, within the Summer Economic Statement he delivered on 8 July 2020.

As it was confirmed that the Coronavirus Job Retention Scheme (CJRS) would close on 31 October 2020, the JRB was introduced as an incentive for employers to take employees off furlough and bring them back to work. Based on certain eligibility criteria, employers would be entitled to a one-off payment of £1,000 per eligible employee.



Employer eligibility

Employers are able to claim the bonus if:

- They have employee(s) who they have furloughed, and claimed for under the CJRS
- The employee(s) must have been eligible for the CJRS for their employer to be eligible for the bonus
- They have not made incorrect claims through the CJRS, or any claims for employees not eligible for the scheme

** N.B. If an employer has repaid CJRS grants to HMRC then they cannot claim the bonus for employees they have repaid amounts for*

Employee eligibility

The bonus can be claimed in relation to employees that:

- Employers have made eligible claims for under the CJRS
- Employers have kept continuously employed from the period end of the last claim period made under the CJRS, until at least 31 January 2021
- Are not serving either a contractual or statutory notice period, or serving notice of retirement, on 31 January 2021
- Have been paid any amount in each relevant tax month, that equates to a total of £1,560 (the minimum income threshold) over the following three tax periods:
 - 6 November 2020 to 5 December 2020
 - 6 December 2020 to 5 January 2021
 - 6 January 2021 to 5 February 2021
- Have been transferred to a new employer under TUPE, or due to a change in ownership, as long as:
 - TUPE or PAYE businesses succession rules applied
 - The employees were associated with the transfer of a business from the liquidator of a company in compulsory liquidation, where TUPE would have applied if the company was not in compulsory liquidation
 - They were transferred across to the new business prior to 31 October 2020, and have been claimed for under the CJRS by the new employer
- Are not typically classed as employees, so the bonus can be claimed for office holders or agency workers, as long as the other JRB eligibility criteria are met

Minimum income threshold

In order to be eligible for the scheme, employees must be paid at least the minimum income threshold. Some key points for consideration are as follows:

- The minimum income threshold is £1,560 in taxable pay across the three tax periods identified above
- There must be payment made in each of the three tax periods, although it can be for any amount, providing the total across the three months is a minimum of £1,560

- The minimum income threshold criteria is applicable irrespective of how often employees are paid, and any circumstances that may have reduced the employee's pay in the relevant tax period (e.g. being on unpaid leave)
- HMRC will check that the minimum income threshold has been met from checking data submitted via Full Payment Submissions (FPS)
- Only payments that are recorded as taxable pay will be considered as amounts included in the minimum income threshold
- HMRC has provided a number of [examples to demonstrate](#) how the minimum income threshold can be achieved for JRB claims

Claims process

HMRC has advised that employers will be able to claim the bonus from 15 February 2021 – 31 March 2021, and that guidance will be updated to confirm how to access the claim service online.

Prior to claiming, employers must ensure that they:

- Have reported all payments to employee(s) between 6 November 2020 and 5 February 2021 through the FPS process
- Are still enrolled for PAYE online
- Complied with PAYE obligations to file PAYE accurately and on time, for all employees between 6 April 2020 and 5 February 2021
- Have kept their payroll up to date, ensuring that they have reported any leave dates for employees who stopped working for them prior to the end of the pay period they leave in
- Utilised the irregular payment pattern indicator for employees not paid on a regular basis
- Complied with all requests from HMRC to provide employee data for historic CJRS claims

There is huge focus placed on accuracy of record keeping, and compliance with PAYE and the CJRS, so employers should be mindful of this before making a claim for the JRB.

Agents are able to claim the JRB on behalf of their clients, and further guidance will be provided on the process to follow.

Additional considerations

There are a couple of other points that employers should be aware of:

- Payments received under the JRB scheme must be treated as income when calculating taxable profits for the purposes of Income Tax and Corporation Tax
- Businesses are able to deduct employment costs as normal when calculating taxable profits for the purposes of Income Tax and Corporation Tax
- Individuals who have employees that are not employed by a business will not have to pay any tax on amounts received under the scheme (e.g. nannies)
- Businesses making redundancies must ensure they adhere to normal redundancy rules, and that they utilise fair redundancy criteria, even in cases where this may mean that fewer employees are eligible for the JRB

On a final note, where eligibility criteria are met for each scheme, the JRB can be claimed alongside the Job Support Scheme (JSS).

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